CANADA

# HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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FIRST SESSION—TWENTY SIXTH PARLIAMENT

12 ELIZABETH II

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COMPRISING THE PERIOD FROM THE TWENTY EIGHTH DAY OF OCTOBER, 1963,
TO THE TWENTY EIGHTH DAY OF NOVEMBER, 1963, INCLUSIVE

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# HOUSE OF COMMONS

**Monday, October 28, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. OLSON—STATEMENT BY MR. SPEAKER ON CALLING OF COMMITTEE

**Mr. Speaker:** Last Friday a question of privilege was raised with regard to the procedure to be followed in calling the organization meeting of a standing committee. I promised last Friday to take the long and well written memorandum of the hon. member for Medicine Hat (Mr. Olson) into consideration. If I could have the indulgence of the house I should now like to give my opinion.

On Friday last the hon. member for Medicine Hat rose on a question of privilege which he summarized as follows:

> The point I wish to make now is that a member of a standing committee which has been set up does in fact have the right to request a meeting of that standing committee, and the officers in this house are under obligation to call such a meeting.

Neither the standing orders of the house nor Beauchesne are very helpful in answering all the questions posed in the statement of the hon. member for Medicine Hat. Standing order 65(1) states:

> At the commencement of each session, a special committee, consisting of five members, shall be appointed, whose duty it shall be to prepare and report, with all convenient speed, lists of members to compose the following standing committees of the house;

This standing order was complied with on May 16, when on motion of the right hon. Prime Minister, seconded by the Minister of Justice, it was resolved that a special committee be appointed to prepare and report with all convenient speed, lists of members to compose the standing committees of this house, the said committee to be composed of Messrs. Caron, Churchill, Knowles, Leboe, Pickersgill and Winkler, and that the provisions of standing order 65(1) be suspended in relation to the number of members thereon.

You will notice that among the members to compose the committee are the whips of the different parties and the house leaders of the government and the opposition. We will come back to this fact.

The procedure set out in standing order 65(1) was followed and on June 27, 1963 Mr. Walker, who had by this time become the chief government whip and had replaced Mr. Caron as such on the special committee, presented the first report of the committee which was then concurred in. This report provided, inter alia, for the composition of the standing committee on agriculture, composed of 60 members, therein enumerated.

At this point I might perhaps be allowed to quote Bourinot on the organization of committees. He states at page 463:

> It is usual for the leader of the government in either house to give the Clerk of the house instructions as to the time and place of meeting for the organization of the several standing committees.
>
> In the case of standing committees of the commons, there are certain clerks whose duties are connected with them especially. For instance, the clerks of standing orders, private bills, public accounts, railways, canals and telegraph lines, and printing. It is usual for the member, on whose motion a select committee has been nominated, to take the initiative in calling it together, and having it organized; and this he will do by placing himself immediately in communication with the Clerk of the house.

You will notice that Bourinot mentions that it is usual for the member on whose motion the select committee has been nominated to take the initiative in calling it together and having it organized.

It is true that the committee on agriculture is a standing committee, but it is true also that it is on the motion of the chief whip that the standing committees have been nominated. Therefore he is in the same position as a member on whose motion a committee has been organized, and he is acting in the name or in the place of the leader of the government in the House of Commons. It is not necessary to decide whether his power is delegated or not; it is certain that this has ever been the practice in the house before and after Bourinot.

The chief whip is the instrument, the channel of operation, from constant practice. It would not be of much use to organize a committee unless some special matters were to be referred to it; and as these matters can only be referred on government motions, who is better placed to call a meeting than the chief government whip?

In other words, organization meetings of standing committees have always been called on instructions from the chief government whip the moment the house refers or is about to refer matters to the said committees. It is for this reason that instructions have invariably come from the chief government whip's office. This is why, in the absence of any

other specified authority, the hon. member's request was sent to the chief government whip to call an organization meeting and to ask the house to refer to the committee the matters mentioned in his letter.

The hon. member for Medicine Hat said at the beginning of his remarks in the house that he had addressed a letter to the chief of the committees and private legislation branch, and he quoted from his letter as follows:

> Dear Sir:
>
> I wish to request that a meeting of the standing committee on agriculture and colonization be called with all convenient speed for the purpose of selecting a chairman and other officers.
>
> I further request that the committee be asked to consider and investigate the wide difference between the price received for feed grain by the producers in western Canada and the price paid by livestock feeders in eastern Canada.

Later on the hon. member for Medicine Hat declared that—

> —a member of the staff of this house wrongfully interfered with the rights of a member.

Also that—

> —the officers of this house are under obligation to call such a meeting.

To this I have already given a preliminary answer, but I might add first that Mr. Anthony Plouffe is not an officer of the house. If one looks at the last pages of *Hansard* of October 23, that is, last Wednesday, page 10, it will be noted that officers of the house are the Clerk of the house, the Sergeant-at-Arms, the parliamentary counsel, the assistant clerks and the deputy sergeant-at-arms. Under the heading of chiefs of principal branches is the name of Mr. Plouffe as chief of committees and private legislation. This does not make him an officer of the house.

Second, the member for Medicine Hat requests from the chief clerk committees branch—

> —that the committee be asked to consider and investigate the wide difference between the price received from feed grain by the producers in western Canada and the price paid by livestock feeders in eastern Canada.

This request, that the committee be asked by the chief clerk of committees to consider that particular proposition, is certainly not one which could be entertained by him even if he did have the right to call a meeting of the committee. As stated by Beauchesne at citation 304(1) page 244,

> A committee can only consider those matters which have been committed to it by the house.

Neither the chief clerk of committees nor the clerk of a committee should interfere and ask a committee "to consider and investigate the matter referred to". There is no doubt that to do so would be most improper.

[Mr. Speaker.]

If only for this reason, the chief clerk of committees was justified in not calling a meeting of the committee, nor can it be said that he has "wrongfully interfered with the rights of a member"; for the second paragraph of the hon. member's letter cannot be dissociated from the first one.

Third, the responsibility of calling organization meetings does not and should not rest with the chief of the committees and private legislation branch. The main responsibility of the branch consists, once the organization meetings have been called, in seeing that the committees are provided with quarters for the meetings, and to provide also for secretarial and other assistance to the committees. If any and all members could request the calling of committee meetings at any time, it is possible that three or four members might request meetings of the same committee at different times, or at the time of meetings of other committees, and the result would be utter confusion and disorganization.

The government leader in the house, who followed the hon. member for Medicine Hat and who was careful to state that he had not made any study of the question, declared that he had "no doubt it has been the custom that these committees be set up at the suggestion of the government whip as a convenience", but he added other comments which are not in accord with the conclusions of this memorandum.

Perhaps we can leave it at that, with the further suggestion that as the procedure is not clearly defined in our standing orders, this might be a matter that could very well be studied in the committee on procedure.

## MR. WEBB—POSTMASTERSHIP AT ENTERPRISE, ONT.

**Mr. R. A. Webb (Hastings-Frontenac):** Mr. Speaker, I rise on a question of privilege. On October 23 the Postmaster General referred to the postmastership at Enterprise, Ontario, and stated that the widow of the deceased postmaster, Clare Stewart, was not a veteran as I had previously stated.

Mrs. Stewart is a war veteran. Her service number is W23627. She has five children to care for. One of these children has to be maintained at the home for retarded children in Smiths Falls, Ontario. Her husband applied for an army pension shortly before he died but this had not been processed. Mr. and Mrs. Stewart, on being appointed postmaster in April, 1962, purchased a home formerly owned by a doctor in Enterprise. This home was purchased due to the fact that there were no steps leading into the home, thus making it more convenient for elderly people.

On October 4 Mrs. Stewart wrote to the Postmaster General and at the bottom of her letter stated "Please acknowledge". On October 18 her mother wrote from Toronto to the Postmaster General, and as of October 25 no reply had been received by either. On October 10 I received a letter from the service officer of the Royal Canadian Legion, branch 458, asking me to make representations on behalf of Mrs. Stewart. On that date I wrote to the Post Office Department. Only this morning did I receive a reply.

The minister also stated that the new appointee had 10 children. I should like to lay before the house the facts with regard to the 10 children. One girl is married and is living in Kingston. One son is working in Ottawa. Two daughters are working in Ottawa and one daughter is working in a bank in Kingston. The husband works as a carpenter for a construction firm. The appointee works part time as a store clerk and also drives a mail route. They also own a farm.

**An hon. Member:** Also Grit.

**Mr. Webb:** On Friday October 25 I received a petition which reads as follows:

> We, the patrons of Enterprise post office and the rural routes are well satisfied with the excellent services of our postmistress, Mrs. Betty Stewart, and it is our wish that she remain in her present position.

This petition involving this small post office contains 190 signatures.

[*Translation*]

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, I do not propose to give an answer to the hon. member, since I did so on the twenty third when I gave a precise summary of the facts.

First of all, Mrs. Stewart is not entitled to the privileges granted to veterans.

Then, she has never been postmistress. She was employed in the post office in question, on a temporary basis, after her husband's death.

It has also been said that she had increased the post office revenue to $2,000. In fact, she was employed for one month only, and the revenue was not increased to $2,000 a year, the total annual revenue of that post office being of about $1,421.

The hon. member has mentioned what type of work Mrs. Dillon's children do. That they work in a bank, as labourers or carpenters, does not change the fact that Mrs. Dillon is the mother of 10 children.

[*Text*]

**Mr. Webb:** Mr. Speaker—

**Mr. Speaker:** Order.

**Mr. Webb:** —in regard to revenue, sir—

**Mr. Speaker:** Order, please; it seems to me we have spent a considerable time on this matter. I thought the quickest way to deal with it was to let the hon. member explain his point and then get on with our business. If the hon. member is not satisfied he should follow through with a motion. Otherwise we must follow the regular routine.

**Mr. Webb:** I just want to put before the house, sir—

**Mr. Speaker:** I am sure there are other ways of doing that. For example, there will be the estimates of the Postmaster General.

## LABOUR RELATIONS

APPOINTMENT OF TRUSTEES—TABLING OF ORDER IN COUNCIL AND LETTER FROM MINISTER

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, in compliance with a request made by the Leader of the Opposition on Friday I should like to table copies of the order in council appointing the board of trustees and also copy of a letter which I sent to Mr. Banks dated October 23. I regret that I stated incorrectly on Friday it had been sent on October 22. This was an inadvertent statement.

**Mr. Diefenbaker:** I did not hear what the inadvertence was.

**Mr. MacEachen:** It was an inadvertent mistake which I made on Friday, which I wanted to draw to the attention of the house.

## NATIONAL PARKS

ANNOUNCEMENT OF CHANGE IN ADMINISTRATION OF BRANCH

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, I wish to make an announcement concerning the national parks branch of my department. Because of the ever-expanding increase in the use of our national parks and national historic parks and sites, it has been concluded that a decentralization of administration is necessary. Therefore, instead of all park field units reporting directly to Ottawa, in future each unit will report to a regional headquarters and only the regional offices will report to Ottawa.

There will be three regions, each headed by a regional director. The western region, with headquarters at Calgary, will cover everything west of the Manitoba-Ontario boundary. The central region, with headquarters at Cornwall, will cover Ontario and

Quebec; and the Atlantic region, with headquarters at Sydney, will cover the four Atlantic provinces. To give additional strength to the Ottawa head office of the national parks branch, there will be a second assistant director. Similarly, in recognition of the complexity of problems in administering the townsite of Banff, a townsite manager is to be appointed. The townsite manager will be resident in Banff and will report to the general superintendent. This reorganization of the national parks branch will go into operation as soon as the necessary new regional headquarters can be opened and staffed.

The announcement I have just made is all the more significant in view of other information just placed before me today. Attendance at our national parks and sites for the period April 1 to September 30, 1963 has soared to an unprecedented 9,224,788, an increase of 24 per cent over the same period in 1962. This information confirms the popularity and importance of our parks and the need for even more efficient administration and more careful development to ensure their proper use and preservation for present and future generations.

**Hon. Alvin Hamilton (Qu'Appelle):** Mr. Speaker, I think the house has listened with interest to the statement by the minister in regard to the re-organization of the parks branch of the Department of Northern Affairs and National Resources.

I would like to point out that the necessity of decentralizing the parks administration has been evident for some time. As the minister will remember, during the early period of the previous administration we made a first move in this direction by putting the western parks under a western supervisor, who tried to bring about some cohesion in over-all field of policy to the western parks, and the extension of this principle to central Canada and the maritimes is good.

I would like to take this opportunity, I think on behalf of most Canadians, to put forward the idea that any effort made by the government to try to establish national parks in the big provinces of Quebec and Ontario will be welcomed by all the people of Canada. These national parks can play a big part in the Canadian parks policy that can only be fully understood as generations follow each other; and if in the future we in Canada have parts of our country in the very conditions they were in at the beginning, they will be a constant reminder of the wonderful pristine wilderness our country was, and how we saved its natural resources.

My second thought in connection with parks policy is to remind the house that formulating it and making it good can only be done most effectively when there is complete co-operation and co-ordination with the provincial governments. They each have their parks policies, and if in the working out of a co-operative program with the provinces they are continually informed they will be able to share in this over-all planning. The Minister of Northern Affairs and National Resources in the last government helped in bringing the provinces together to further that policy, and I am glad this statement by the present minister is carrying on the moves made at that time.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I am sure we were all very pleased to hear of the increased patronage of the national parks—I am referring to numbers, not other aspects thereof—and of the division of the administration into regions. I have been very interested, as have members of this group, in national parks for many years, because they are a very important part of our national resources, and there is a great need for improvement in their administration, which result largely from changing circumstances and the growing numbers they are required to handle.

I agree with what the hon. member for Qu'Appelle said, that there is a need for close co-operation with provincial governments, and also with the public. We must have the understanding, appreciation and co-operation of the public in general if we are to devise a permanent national parks policy that will be satisfactory in preserving the parks for future generations.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, without going into any detail on the effect that this new administrative policy might have regarding our national parks, I would just add my support to the remarks that have already been made, which emphasize the importance of the national parks in our Canadian way of life and the need not only to improve the administration but also to extend the services of national parks. Therefore in so far as the general principles involved in this statement of policy are concerned, we give our support to them.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, it is with great interest that we learned from the minister that the administration of national parks in Canada is being decentralized.

I should like to point out to the house, however, that even though it was deemed advisable to decentralize the administration of national parks by dividing it into three regions, that is, the maritime provinces, the western provinces and the central provinces

comprising the two largest Canadian provinces, namely Ontario and Quebec, the administrative centre for those two provinces is being located in the province of Ontario.

I suggest to the minister that it would have been much more advisable to set up four regions instead, a third one for the province of Ontario and a fourth one for the province of Quebec.

We know that national parks in the various provinces may present different features to tourists. In my opinion, such an aspect should be considered.

May I also suggest that in order to encourage our fellow citizens to visit our national parks, we could try to find some incentive for example: an income tax deduction for expenses incurred by Canadians who spend their holidays in national parks. This would not only allow us to develop national parks in Canada, but would prompt our fellow citizens to take advantage of all their features. It is very fine to have national parks, but we should also give our fellow citizens the opportunity and financial means to visit them and make use of them.

[*Text*]

[*Later:*]

On the orders of the day:

**Mr. Thomas M. Bell (Saint John-Albert):** May I direct a question to the minister of northern affairs. Will the minister say how his statement affects purchasing for the parks? Will orders for materials formerly not purchased locally, about which there has been some criticism, now be placed through the regional office instead of Ottawa?

**Some hon. Members:** Order paper.

**Mr. Bell:** The question arises from the statement made today.

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** It is the objective of the new arrangement in connection with our parks to facilitate both the making of decisions and purchasing, and to localize these as much as possible.

## QUESTIONS

[*Translation*]

**Mr. Yvon Dupuis (St. Jean-Iberville-Napierville):** Mr. Speaker, I wish to advise the house that the following questions are being answered today: 1,154, 1,189, 1,242, 1,260, 1,262, 1,304, 1,306, 1,307, 1,329, 1,345, 1,350, 1,353, 1,358, 1361, 1,364, 1,365, 1,376, 1,382, 1,396, 1,397, 1,398, 1,400, 1,405, 1,411, 1,415, 1,419, 1,438, 1,440, 1,453, 1,457 and 1,483.





[*Text*]

If questions 1,280 and 1,369 could be made orders for returns the returns will be tabled immediately. If Your Honour would be good enough to call starred questions 1,134, 1,315, 1,372, 1,385 and 1,445, I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

### *CONSIDERATION OF WOMEN IN FEDERAL APPOINTMENTS

*Question No. 1,134*—**Mr. Mather:**

In the appointments to such bodies as the Atlantic development board, the economic council of Canada, the judiciary, the diplomatic corps and the Senate, is the government giving consideration to naming a due proportion of qualified women for these positions?

**Mr. Pearson:** The answer to this question is yes.

### PETER LEBEL, TORONTO—R.C.M.P. INVESTIGATION

*Question No. 1,154*—**Mr. Orlikow:**

Is the R.C.M.P. investigating the whereabouts, occupation, friends, etc., of Mr. Peter Lebel, now a resident of Toronto and, if so, (a) for how long has this surveillance been carried out (b) what is the purpose of such surveillance (c) is the information acquired passed on to anybody outside the department and (d) how long will such surveillance continue?

**Mr. Chevrier:** It has not been the practice either of this government or its predecessor in office to furnish information of the kind sought by this question.

### DOMINION-PROVINCIAL SECRETARIAT

*Question No. 1,189*—**Mr. Latulippe:**

Is it the government's intention to establish, during the present session, a federal-provincial secretariat and, if so, when and how will it do so; and, if not, for what reasons?

**Mr. Pearson:** The question of the setting up of appropriate machinery to ensure continuing liaison between the federal and provincial governments will be considered at the federal-provincial conference in November. It is not possible to anticipate at this stage what the decision of the conference will be.

### FEDERAL GRANTS TO DISASTER REGIONS

*Question No. 1,242*—**Mr. Laprise:**

1. What is the total amount granted by the federal government since 1949 to regions which have been declared victims of a disaster such as drought, tornado, flood or fire?
2. Out of that amount, how much was granted to regions outside Canada?
3. What amount has been granted each year to the different provinces since 1949?
4. What amount has been granted each year since 1949 to regions outside of Canada?

**Mr. Benson:** 1. $34,991,197.

2. $11,046,729.

*Questions*

| 3. | Year | Province | Disaster | Amount |
|---|---|---|---|---|
| | 1949/50 | British Columbia | Fraser river flood | $ 4,024,186 |
| | 1950/51 | Manitoba | Red river flood | 14,422,208 |
| | | Quebec | Rimouski fire | 1,000,877 |
| | | Quebec | Cabano fire | 218,270 |
| | 1951/52 | Manitoba | Red river flood | 1,585,553 |
| | | Quebec | Rimouski fire | 1,177,519 |
| | | Quebec | Cabano fire | 80,439 |
| | 1952/53 | Quebec | Rimouski fire | 257,389 |
| | | Quebec | Cabano fire | 531 |
| | 1953/54 | Quebec | Rimouski fire | 615 |
| | | Ontario | Sarnia tornado | 137,462 |
| | 1954/55 | Quebec | Rimouski fire | 233 |
| | | Ontario | hurricane Hazel | 330,258 |
| | 1955/56 | Ontario | hurricane Hazel | 434,379 |
| | 1956/57 | Nova Scotia | first Springhill mine disaster | 25,000 |
| | | Saskatchewan | floods | 31,779 |
| | | Manitoba | floods | 17,770 |
| | 1957/58 | | | |
| | 1958/59 | Nova Scotia | second Springhill mine disaster | 100,000 |
| | 1959/60 | New Brunswick | fishermen's disaster | 50,000 |
| | 1960/61 | | | |
| | 1961/62 | New Brunswick | floods | 50,000 |
| | 1962/63 | | | |
| | 1963/64 | | | |
| 4. | 1949/50 | Nil | | |
| | 1950/51 | Nil | | |
| | 1951/52 | $ 825,000 | wheat famine relief, Greece | |
| | | 43,900 | relief supplies, Yugoslavia | |
| | 1952/53 | 27,996 | wheat famine relief, Greece | |
| | | 1,000,000 | European flood relief | |
| | 1953/54 | 50,000 | food flood relief, Japan | |
| | | 5,000,000 | wheat famine relief, Pakistan | |
| | | 497,954 | Greece-Ionian earthquake, reconstruction and rehabilitation | |
| | 1954/55 | 24,988 | fish hurricane relief, Haiti | |
| | | 224,629 | food and drugs flood relief, India, Pakistan and Nepal | |
| | 1955/56 | 49,999 | flour hurricane relief, British Caribbean area | |
| | | 99,474 | medical supplies and other emergency material for flood relief, India and Pakistan | |
| | 1956/57 | 1,475,833 | wheat flood relief, Pakistan | |
| | 1957/58 | Nil | | |
| | 1958/59 | Nil | | |
| | 1959/60 | 60,000 | canned pork, Japanese typhoon victims | |
| | 1960/61 | 1,599,864 | flour and pork for Chilean disaster victims | |
| | 1961/62 | 67,092 | skimmed milk powder and canned pork for British Honduras hurricane disaster | |
| | 1962/63 | Nil | | |

PURCHASES BY INDIAN BANDS

*Question No. 1,260*—**Mr. Orlikow:**

Is the government considering amending sections 88 and 89 of the Indian Act so that they would permit an Indian band, as an organization, to make purchases of equipment and other material needed for improving the economic status of members of the band?

[Mr. Benson.]

**Mr. Munro:** While sections 88 and 89 of the Indian Act are being reviewed for possible amendment, it may be mentioned that where the provisions of section 68 of the act have been applied to a band, the band council from band revenue funds may purchase equipment and other material needed for improving the economic status of the band or its

members, provided that an item has been included in the band budget for this specific purpose.

PROVINCIAL CENTENNIAL COMMITTEES

*Question No. 1,262*—**Mr. Southam:**

What provinces have organized their 1967 centennial celebration committees under the proposed federal government plan, and what are the names and addresses of the executive officers of each of these provincial committees?

**Mr. Lamontagne:** Listed are the names of provincial centennial committees provided under provincial legislation and the executive officers in those instances where appointments have now been made.

Province: British Columbia, Canadian confederation centennial committee of British Columbia; Alberta, national centennial committee (Alberta); Saskatchewan, Saskatchewan diamond jubilee and Canadian centennial celebrations committee. Executive director, Mr. Albert G. Watson, 1753 Cornwall street, Regina, Saskatchewan; Manitoba, Manitoba centennial corporation; Ontario, centennial committee; Quebec, provincial secretary's department; New Brunswick, confederation centenary celebration committee; Nova Scotia, confederation centenary celebration committee. Chairman and chief executive officer, Mrs. Abby Lane, 61 Cambridge street, Halifax, N.S.; Prince Edward Island, Prince Edward Island centennial committee, Inc. Manager—Mr. William Hayward, Charlottetown, P.E.I.; Newfoundland, national centennial committee.

BILINGUALISM AMONG C.N.R. EMPLOYEES

*Question No. 1,304*—**Mr. Fisher:**

1. Has the C.N.R. developed a policy to encourage bilingualism among its employees and, if so, is this policy reflected in advertisements for new employees?

2. On October 8, 1963, did the C.N.R. advertise in the Montreal *Gazette*, page 34, for young men between 16 and 18 years of age and, if so, was there any mention of bilingualism as a necessity or an advantage?

**Answer:** 1. and 2. The memorandum relating to bilingualism in Canadian National, tabled in the house on October 4, indicates the company's policy and progress being made in this regard. Advertisements for new employees refer to bilingualism when the job requirement is that the employee speak both French and English.

EXTENSION OF WINTER WORKS PROGRAM, TORONTO

*Question No. 1,306*—**Mr. Scott:**

Has the government given consideration to the request of the city of Toronto to have the winter works program extended from October to May and, if so, what has been the government's response to such request?

**Mr. MacEachen:** Consideration has been given to a number of representations, including a request from the city of Toronto, regarding the effective period of the winter works program, but it is not the intention to extend the period beyond the six months commencing November 1 and ending April 30.

CANADIAN ARSENALS PLANT, SCARBOROUGH TOWNSHIP

*Question No. 1,307*—**Mr. Scott:**

1. Briefly, what is the nature of the products being produced by the crown owned Canadian Arsenals plant on Warden avenue in the township of Scarborough?

2. How many persons were employed there in the years 1959, 1960, 1961, 1962, and 1963?

3. What lines of production are being abandoned, and what specific products are being discontinued.

4. In detail, what efforts are being made to find alternate domestic and/or foreign markets for the lines being discontinued?

5. Is any "on the job training" being contemplated to fit the workers being released for other gainful employment?

6. What are the guide lines for deciding who will be let go, and who will be retained?

**Mr. Drury:** 1. Some types of military electronic, optical and fire control equipment.

2. The average number of employees at this division for the fiscal years requested is as follows: 1959, 272; 1960, 277; 1961, 300; 1962, 290; 1963, 252.

3. Those production facilities and military products involved in (1) above.

4. Such lines are military in nature and are not marketable in terms of commercial product line. The market depends upon the requirements of the armed services in Canada and abroad.

5. The personnel are highly qualified in their own particular fields and therefore no on the job training is being contemplated.

6. The factors that will be considered in reducing staff are ability, qualifications and length of service.

*USE OF "AIR CANADA" BY T.C.A.

*Question No. 1,315*—**Mr. Côté (Chicoutimi):**

What are the security and control reasons which make it impossible to add the words "Air Canada" on the fuselage of T.C.A. aircraft?

[*Translation*]

**Mr. Cantin:** Mr. Speaker, both air traffic control and ground control of aircraft movement on airports involve visual identification features at certain times, and both governmental and air line officials are strongly of the opinion that the use of two different names on an aircraft fuselage, particularly in circumstances of congestion and high-density movement, could lead to misunderstanding and confusion on the part of the various personnel involved in giving and receipt of control and movement instructions.

*Questions*

[*Text*]

SUSPENSION OF COLD STORAGE ACT

*Question No. 1,329*—**Mr. Howard:**

Upon what date, by whom, by what method, by what authority, and for what reason, was assistance under the Cold Storage Act suspended?

**Mr. Hays:** Assistance grants for the construction of cold storages under the Cold Storage Act were suspended in July, 1962, as an economy measure.

COST OF NORTHERN TRIP BY MINISTER AND OFFICIALS

*Question No. 1,345*—**Mr. Rheaume:**

1. What was the total cost to the treasury, including hotel, meals and miscellaneous expenditures, of the recent trip by the Minister of Northern Affairs and National Resources and his officials from the time of their Ottawa departure, through the Yukon and Northwest Territories until their return to Ottawa?

2. What was the cost of the chartered DC-3 aircraft employed for the northern part of this trip, including gasoline surcharges and crew expenses?

3. Were tenders called for the charter of this aircraft and, if so, which companies submitted bids, in what amounts, and which bid was accepted?

4. What are the names and functions of each of the persons accompanying the minister on this trip?

**Answer:** 1. $16,402.61.

2. $13,250.00.

3. Four companies invited to tender. Complete bids received from the two following companies only: Pacific Western Airlines, $13,680 plus additional charges for fuel and oil as specified in the carrier charter tariff by the air transport board; Connelly-Dawson, $13,045 plus additional charges for fuel and oil as specified in the carrier charter tariff by the air transport board, low tender accepted.

4. The names and functions of the people on the tour, which began at Whitehorse are: Mr. E. A. Côté, deputy minister; Mr. J. Austin, executive assistant, joined tour at Fort Smith; Mr. B. G. Sivertz, commissioner of the Northwest Territories; Mr. J. Turner, parliamentary secretary, joined tour at Yellowknife; Mr. Cameron, commissioner of the Yukon, left tour at Mayo; Mr. H. Howith, editor of "North" and staff officer; Dr. A. Gascon, chief of curriculum section, joined at Fort Smith; Mrs. Irene Baird, chief, information services division, Frobisher-Ottawa only; Mrs. Arthur Laing, no cost to crown, left tour at Inuvik; Mrs. L. Basu, secretary to deputy minister, left tour at Yellowknife; Miss E. Sloan, secretary to Mr. Austin.

Press: Mr. B. Hill, Edmonton *Journal* and Vancouver *Province*; Mr. T. Ardies, Vancouver *Sun;* Mr. R. Reguly, Toronto *Star;* Mr. G. Waring, Canadian American News Service, joined tour at Dawson; Mr. C. Morin, Radio-Canada; Mr. J. Fauteux, Radio-Canada.

WAR MEMORIAL, NEPEAN POINT, OTTAWA

*Question No. 1,350*—**Mr. MacRae:**

1. Is it the intention of the government to proceed at this time with the construction of a war memorial on Nepean point and if not, for what reason?

2. Has the government received representations from the dominion command of the Royal Canadian Legion regarding this project and, if so, what were the recommendations?

3. When may a final decision be expected?

**Answer:** 1. The government does not intend to proceed immediately with the implementation of the original plan for the construction of a national shrine of remembrance on Nepean point.

This proposal has been the subject of some public controversy in the press and otherwise. A number of the views expressed have supported it while several have, for various reasons, suggested modifications or alternatives or even the abandonment of the whole project. It seems possible that some of the criticisms of the concept of the shrine have been founded on a lack of appreciation of its principal purpose which is to enable the display, in suitable surroundings, of Canada's Books of Remembrance containing the names of our war dead.

At present, all four of the books are on display in the severely limited space in the world war I memorial chamber in the peace tower. That is, of course, the best place to display the world war I book as the atmosphere of the chamber relates solely to that war. The other three books—those containing the names of the dead of the Nile expedition of 1885 and the South Africa war, and world war II and Korea—were placed temporarily in the chamber so that they might be seen by the Canadian public during the time prior to the completion of a permanent repository. The proposed shrine would enable the display of these three beautifully illuminated books, together with a facsimile of the world war I book, in surroundings comparable to those of the memorial chamber but, of course, in an atmosphere not designed to commemorate one period only.

The realization of this concept of a shrine of remembrance dedicated to the memory of Canada's dead of all wars and containing a record of their names would be a significant expression of national pride in their achievements and sacrifices. The decision to proceed with the construction of such a shrine honouring our war dead is not, however, one that should be taken in an atmosphere of disagreement or controversy.

2. While this government has not received direct representations from the dominion command of the Royal Canadian Legion regarding the proposal to erect a shrine of remembrance on Nepean point in Ottawa, the stand of the Legion in this matter is well known. They were represented on the committee which first recommended the erection of such a shrine. Their continuing strong support of the project was expressed in a recent editorial in their official publication, *The Legionary*.

3. The government has undertaken a thorough review of the proposal to erect the shrine, including the design of the building itself and the surrounding area. Some time will elapse before this study can be completed and the final decision reached.

PICNIC SITE AND CAMP GROUND CONSTRUCTION

*Question No. 1,353*—**Mr. Dinsdale:**

1. Will picnic site and camp ground construction be included in the winter works program this year and, if so, what period will it cover?
2. If not, will it be replaced by a recreational parks program?
3. Does the government intend to continue the useful federal provincial parks conference inaugurated last year and, if so, when will the conference be convened?

**Answer:** 1. The winter works program for national parks in designated areas provides for the extension and development of picnic sites and camp grounds. The program will extend to March 31, 1964.

2. N/A

3. Yes. The second federal-provincial parks conference will be held in Ottawa from November 18 to 22 inclusive.

DIRECTIONAL RADIO BEACON, BLANC SABLON, QUE.

*Question No. 1,358*—**Mr. Ricard:**

Have tenders been called for the building of a directional radio beacon at Blanc Sablon, Quebec, and, if so, (a) what are the names of the tenderers (b) what was the amount of each tender submitted (c) what is the name of the tenderer to whom the contract was awarded?

[*Translation*]

**Mr. Cantin:** Yes, (a) and (b).

| Names of tenderers | Amount |
|---|---|
| Nordec Construction Inc. | $23,600 |
| Plessis Construction Ltée. | 25,890 |
| Continental Electrical Contracting Ltd. | 28,650 |
| Avalon Construction and Engineering Ltd. | 30,350 |
| Gauthier & Gagné | 34,662 |
| Frs. Marquis Ltée. | 55,770 |
| Gaspé Sud Construction Ltée. | 74,350 |

(c) Nordec Construction Inc.

[*Text*]

DEFENCE EXPENDITURES

*Question No. 1,361*—**Mr. Mather:**

1. What was the amount, in dollars, expended in the fiscal years 1960, 1961, and 1962 on national defence?
2. What in 1962 was the approximate percentage of federal expenditures represented by the combined costs of interest payment on the federal debt and on defence outlay?

**Mr. Benson:** 1.

| Department of National Defence | | |
|---|---|---|
| 1960 | 1961 | 1962 |
| $ | $ | $ |
| Department of Defence Production | | |
| 17,600,214 | 20,435,693 | 23,929,926 |
| 1,516,572,454 | 1,517,530,583 | 1,626,104,312 |
| $ 1,534,172,668 | $ 1,537,966,276 | $ 1,650,034,438 |

2. 37.62 per cent.

EQUITABLE INCOME TAX FOUNDATION

*Question No. 1,364*—**Mr. Orlikow:**

1. Was the Equitable income tax foundation given the right to receive contributions which are deductible for income tax purposes and, if so, on what date was the right granted?
2. What reasons were advanced by this organization to the minister in its request that it be granted such a right?
3. What were the government's reasons for granting such tax exemption status to the Equitable income tax association?
4. Is the Equitable income tax foundation engaging in activities such as proposing that the tax laws be changed in respect to Canadian co-operatives?
5. Is the government reconsidering the tax-exempt status of the Equitable income tax foundation?

**Mr. Garland:** 1. No.

2. The foundation has been formed as a permanent organization to conduct study, research and investigations on the subject of taxation and its effect on the economy of Canada; to propagate the principles of equitable taxation; to make representations to governmental authorities at all levels regarding tax legislation as may seem desirable as a result of the study, research and investigation carried on by this organization.

3. Not applicable.

4. Yes.

5. No.

CANADIAN ECONOMIC ASSOCIATION

*Question No. 1,365*—**Mr. Orlikow:**

1. Was the Canadian economic association given the right to receive contributions which are deductible for tax purposes and, if so on what date was the right granted?
2. What reasons were advanced by this organization to the minister in its request that it be granted such a right?
3. What were the government's reasons for granting such tax exemption status to the Canadian economic association?

*Questions*

4. What are the principal aims of the Canadian economic association, and do they include participation in political activities?

5. Is the government reconsidering the tax-exempt status of the Canadian economic association?

**Mr. Garland:** 1. Not aware of this association.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

*PROBLEMS OF EXCESSIVE DRINKING, N.W.T.

*Question No. 1,372*—**Mr. Rheaume:**

1. Have any comprehensive studies been done by the federal government on the social and economic problems resulting from excessive drinking of alcoholic beverages in the N.W.T. and, if so, what studies were done, by whom, and what were the recommendations, if any?

2. Does the government have any program under way to alleviate or combat problems resulting from excessive drinking in the N.W.T. and (a) if so, what are these programs (b) if not, are there any plans to initiate such programs?

**Mr. Laing:** 1. My department, through the northern co-ordination and research centre, has commissioned studies into the uses of alcoholic beverages in three settlements in the Northwest Territories. These studies are being carried out by Mr. Donald Clairmont, assistant professor of sociology, St. Mary's University, Halifax, N.S. and Dr. John J. Honigmann, professor of anthropology, University of North Carolina. The studies are still in progress, and the only preliminary report received to date contains no recommendations.

In addition the incidence of excessive drinking where this occurs, and special factors which may influence the problem, have been discussed in other sociological reports on northern communities commissioned by the centre.

2. Federal participation in the study of this problem is occasioned by the federal concern for Eskimos. An interdepartmental committee has been at work for some time assembling information on the handling of comparable situations elsewhere in Canada, and assisting in co-ordinating the work of government and private agencies. However, liquor policy is the responsibility of the territorial council and government. As its votes and proceedings show, the council of the Northwest Territories has given extensive and continuing attention to the problem of excessive drinking and to policies to deal with it.

THOMPSON, MAN. RADIO AND TELEVISION STATIONS

*Question No. 1,376*—**Mr. Fisher:**

1. Did the B.B.G. turn down an application for a T.V. transmitter for the Thompson area (submitted by a Mr. Metcalfe and based on transmitting C.B.C. programming) because it had approved an A.M. radio station and that the board did not consider that at the time the Thompson market could also support a T.V. station and, if so, when was this decision announced?

2. Has the radio station been constructed or is it in operation?

3. Has the B.B.G. received complaints about the television service situation at Thompson since June 1, 1963 and, if so, from whom, and briefly, to what point?

**Mr. Pickersgill:** 1. Yes. The decision was announced on March 21, 1962.

2. No.

3. Since June, 1963, the board has received one letter from Mr. R. I. Robinson of Thompson in which he complains of the program quality and technical standard of the service provided by the closed circuit T.V. station CESM at Thompson.

WHEAT SHIPMENTS THROUGH CHURCHILL

*Question No. 1,382*—**Mr. Jones:**

How many bushels of wheat have been shipped out of the port of Churchill this year to date?

**Answer:** Shipments of wheat out of the port of Churchill during the complete 1963 season of navigation amounted to 22,864,409 bushels.

*REAPPLICATION FOR POWER INCREASE, STATION CJCH-T.V.

*Question No. 1,385*—**Mr. Rideout:**

What is the earliest possible date that a reapplication can be made by station CJCH-T.V. for a power increase to service the Westmorland county area in the province of New Brunswick?

**Mr. Cantin:** There is no restriction with regard to this matter.

J. D. HERBERT, PARKS BRANCH

*Question No. 1,396*—**Mr. Fisher:**

With regard to J. D. Herbert, an employee of the national parks branch, what are the details, of his birthplace, institution and place by years of his education, his diplomas and degrees, his experience in his field by place and institution, his publications (titles and bibliographical notation), his citizenship and the dates and data on his civil service grading?

**Answer:** Birthplace: Saskatoon, Saskatchewan.

Education: University of Saskatchewan, Canadian history and political science, B.A., 1948; honours, 1949. Toronto University, Canadian history, M.A., 1950.

Awards: Regina college, Smith scholarship, 1946; University of Saskatchewan, honours bursary in political science, 1948; University of Saskatchewan, provincial I.O.D.E. scholarship, 1949; University of Toronto, W. L. Mackenzie King fellowship, 1949.

Experience: 1949-50 (seasonal), research assistant, Fort Battleford museum (provincial); 1950-53 (permanent), supervisor and custodian, Fort Battleford; 1953-56 (permanent), director, historic sites branch, department of natural resources, province of Saskatchewan; 1956-59 (permanent), executive director and director of research, Glenbow foundation, Calgary, Alberta; 1959 to date, chief, national historic sites division, Department of Northern Affairs and National Resources.

Publications: "Guide to the Historic Sites of Saskatchewan", prepared for Saskatchewan golden jubilee committee. Published 1955 by department of natural resources, government of Saskatchewan.

Citizenship: Canadian.

Civil service grade: July 7, 1959, chief, national historic sites division, national parks branch, Department of Northern Affairs and National Resources.

CLIFFORD R. WILSON, NATIONAL MUSEUM

*Question No. 1,397*—**Mr. Fisher:**

With regard to Clifford R. Wilson, an employee of the national museum, what are the details, of his birthplace, institution and place by years of his education, his diplomas and degrees, his experience in his field by place and institution, his publications (titles and bibliographical notation), his citizenship and the dates and data on his civil service grading?

**Answer:** Birthplace: Repton Derbyshire, 1902; came to Canada 1913; Canadian citizen.

Education:West Hill school 1909-13; University school, Victoria, 1913; Upper Canada college, Toronto, 1914-19; McGill University, 1919-23 (B. Com.)

Experience: Curator, Hudson's Bay Co. museum, Winnipeg, 1937-57 and editor of BEAVER 1939-57. Director, Glenbow foundation, Calgary, 1958-60. Assistant-Director, National Museum, 1960 (President, Canadian museums association 1955-57)

Publications: 1933 Adventures all: Tales of Forgotten Heroes in New France. Macmillans; 1943 "Modern Trends in History Museums", "B.C. historical quarterly (Reprinted by Ontario government for distribution to all Ontario history museums, 1950. Reprinted for distribution to prairie museums, 1958). 1947 "The New North in Pictures", Ryerson; 1953 "Northern Exposures", Nelson; 1954 "North of 55°", Ryerson; 1956 "North Treasury," Nelson; 1956 "The Hudson's Bay Co. Museum", UNESCO magazine museum, Paris 1956; 1957 "Pageant of the North", Ryerson; 1962 "Adventurers from the Bay," Tales of the Hudson's Bay Company, Macmillan.

In addition, about 30 magazine articles on Canadian history and natural history including: Etienne Brulé and the Great Lakes, Canadian Geographical Journal, 1932; Brownsburg, Canadian Geographical Journal, November, 1936. Letters from Geo. Back, Canadian Geographical Journal, September, 1938. "Private Letters from the Fur Trade", Manitoba historical Society, 1950. "Where Did Nicolet Go?" Minnesota history, September, 1946. "Across the Prairies 200 years ago" (Anthony Henday) Canadian historical association, Annual Report, 1954. "La Verendrye Reaches the Saskatchewan", Canadian Historical Review, March 1952.

Civil service grading: Assistant director, national museum of Canada. (Technical officer 11); appointed May 2, 1960 by civil service commission competition.

RESIGNATIONS FROM NATIONAL MUSEUM

*Question No. 1,398*—**Mr. Fisher:**

1. On what date did Dr. Jacques Rousseau leave the national museum?
2. Since that date what are the names with positions held, of all employees who have resigned or been dismissed from the national museum?

**Answer:** 1. P.C. 1959-1/247 dated February 27, 1959, provided for the release of Dr. Rousseau with effect from February 28 of that year. It is understood that he physically left the museum about a month earlier.

2. According to our records, the following are the employees who have resigned:

1959: Mrs. V. M. Atkinson, Feb. 13, resigned steno 3; Miss H. Bujold, March 31, resigned, assistant technician 3; Dr. A. W. Cameron, Sept. 28, resigned, chief mammalogist—bio. 3; Mrs. J. C. Cole, Jan. 30, resigned, steno 1; Mrs. P. Dolan, Jan. 15, resigned, steno 2; Miss M. L. Funke, Sept. 30, resigned, typist—knowledge of shorthand; T. E. Lee, March 20, resigned, bio. 3; Miss I. O'Connell, Sept. 24, resigned, clerical assistant.

1960: Miss M. T. I. Brunet, Feb. 5, resigned, steno; Miss J. I. Crosby, Oct. 14, resigned, steno 2; Mrs. M. Davison, Jan. 20, resigned, steno 2; Miss M. Ouimet, Jan. 13, resigned, steno; Mrs. M. T. M. Robineault, Aug. 15, resigned, steno 3 (secretary).

1961: Mr. A. Balikci, June 17, resigned, anthropologist 2; Miss L. Bourbeau, March 2, resigned, technician 1; Mrs. H. Lochmotov, Apr. 10, resigned, clerk 2; Miss I. McCarthy, Jan. 5, resigned, typist 2; Dr. C. A. Proctor, June 6, resigned, anthropologist 2.

1962: Mrs. W. E. Bartosch, July 24, resigned, T.O. 2; Miss M. Emard, July 6, resigned, technician 1; Dr. W. Langston, Jr., Oct. 22, resigned, bio. 4; Miss C. Provost, Nov. 1, resigned, steno 2.

1963: W. T. Kennedy, Apr. 20, resigned, clerk 2; Dr. R. S. MacNeish, Aug. 1, resigned, bio. 5; Miss E. V. Masters, Nov. 5, resigned, steno 3 (secretary); Dr. T. F. S. McFeat, Oct.

7, resigned, bio. 5; Dr. L. Oschinsky, Sept. 24, resigned, bio. 3; J. T. Pinnacle, Sept. 3, resigned, junior exec. officer; Dr. L. S. Russell, Oct. 31, resigned, director, natural history branch.

ERNEST CÔTÉ, NATIONAL MUSEUM

*Question No. 1,400*—**Mr. Fisher:**

What responsibility has Ernest Côté had in the past ten years for the national museum, in general and in terms of directives or memoranda or instructions given him?

**Answer:** Subject to the directives of the minister and, until July 1, 1963, of the deputy minister, he had the general responsibility for the policies affecting the development of the national museum for most of this period.

BENEFITS TO DESIGNATED AREAS IN MANITOBA

*Question No. 1,405*—**Mr. Simpson:**

What benefits, if any, will accrue to designated areas (a) in the municipal district of Dauphin (b) in the district normally coming within the administration of the Dauphin branch of the unemployment insurance commission (c) other areas of the province of Manitoba?

**Mr. MacEachen:** (a) and (b) All municipalities located in the area serviced by the Dauphin local office of the national employment service, which has been designated as an area of high winter unemployment, will be entitled to a federal contribution of 60 per cent of direct payroll costs incurred on approved projects under the municipal winter works incentive program. This area will also qualify in connection with the supplementary federal government winter construction program, which applies to designated development areas and designated areas of high winter unemployment.

(c) The Dauphin local employment office area is the only area in Manitoba which has been designated.

FEED GRAIN BOARD OF EASTERN FARMERS

*Question No. 1,411*—**Mr. Laverdiere:**

Is the government considering setting up a feed grain board, to consist of eastern farmers and modelled on the Canadian wheat board and, if so, will that feed grain board have a responsibility of buying and selling feed grain on behalf of eastern farmers, and to provide for adequate storage of feed grain?

**Mr. Hays:** Representations with respect to a feed grain agency for eastern Canada are being considered by the government.

SPONSORED IMMIGRANTS RECEIVING WELFARE PAYMENTS

*Question No. 1,415*—**Mr. Prittie:**

Is it possible, from records maintained by the Department of National Health and Welfare, to determine (a) the number of sponsored immigrants who are in receipt of old age security benefits, disabled persons' allowances and blind persons' allowances at the present time (b) the number of sponsored immigrants who will be eligible for such allowances by the year 1970, and (c) the estimated cost of the allowances to such persons at present and projected to 1970?

**Miss LaMarsh:** No, the information asked for is not available.

CHIEF ARCHAEOLOGIST, NORTHERN AFFAIRS DEPARTMENT

*Question No. 1,419*—**Mr. Fisher:**

Has the minister of northern affairs under consideration the appointment of a Mr. Taylor to the post of chief archaeologist of Canada and, if so, what are Mr. Taylor's qualifications in detail, including the archaeologists under whom he has worked?

**Answer:** This question presumably refers to the chief of the archaeology section of the national museum. Appointment to this position is not the responsibility of the minister but of the civil service commission. However, I should advise the hon. member that the civil service commission appointed Mr. W. E. Taylor, Jr., who had been acting chief of the section, as chief, effective July 10, 1963. Mr. Taylor's qualifications follow:

1. Academic background: B.A. (Honours) anthropology, U. of Toronto, 1951, A.M. sociology, U. of Illinois, 1952; graduate fellow, U. of Illinois, 1951-52; graduate fellow, U. of Illinois, 1952-53;; teaching fellow, U. of Illinois, 1953-54; research assistant, U. of Michigan, 1954-55; research assistant, U. of Michigan, 1955-56; post-M.A. student, U. of Illinois, 1952-3, 1953-4, "A" standing; post-M.A. student, U. of Michigan, 1954-5, 1955-6, "A" standing; passed Ph.D. oral and written examinations, May 1956, U. of Michigan; Ph.D. pending submission of dissertation; won but declined graduate fellowships and assistantships at several universities including Chicago, Arizona, Kentucky, Wisconsin, Harvard, and North Carolina.

2. Publications: He has published 28 titles, has one in press, two others ready for submission, and is preparing five others. He is also compiling, editing and contributing to a large volume, "The Archaeology of Canada" to be published by the museum. He has represented the museum and read technical papers at international meetings.

3. Experience: Between 1947 and 1963, he has participated in 25 field projects in Ontario, Quebec, Newfoundland, Illinois, Arizona, Michigan and the Canadian Arctic. In the last named, his area specialization, he has passed 11 field seasons. He has been invited to join archaeological expeditions to Alaska, Greenland, Egypt, Mexico, and Ecuador. He has examined museums in Canada, the U.S.A., Mexico, Scotland, England, France, Belgium,

and Denmark, and has served as acting senior archaeologist at intervals since 1960.

4. Teachers: In the field he has worked with J. N. Emerson, U. of Toronto; K. E. Kidd, Royal Ontario Museum; J. C. McGregor, U. of Illinois; H. B. Collins, Smithsonian institute; E. F. Greenman, U. of Michigan; and T. E. Lee, Ottawa.

In universities, he has studied under Emerson, McGregor, Greenman and J. B. Griffin, R. K. Beardsley, A. C. Spaulding at the University of Michigan. Among the other anthropologists he has studied under are J. Steward, O. Lewis, and E. Wolfe at Illinois, L. White, F. Thieme, and E. Service at Michigan, and T. McIlwraith, G. Brown, and E. Carpenter at Toronto.

5. Mr. Taylor is also a: fellow, Arctic institute of North America; fellow, American association for the advancement of science; fellow, society of the sigmaXi; member, Arctic circle; member, society for American archaeology; member, American anthropological association; assistant editor for the journal "Anthropologica"; consulting director, Canadian research center for anthropology.

SKOPJE, YUGOSLAVIA—REQUEST FOR AID

*Question No. 1,438*—**Mr. Matheson:**

1. Has the government received any requests for aid to the stricken city of Skopje, if so, from whom, and when?
2. What aid has been advanced thus far?
3. What plans, if any, have been formulated by Canada to contribute to the rebuilding of Skopje?

**Mr. Martin (Essex East):** 1. Yes. On August 8, 1963 the Yugoslav ambassador to Canada called on me to report the tragic disaster at Skopje and to describe the more immediate needs for which his government was making an international appeal. On August 15 he provided me with preliminary estimates of longer term reconstruction costs.

2. To date some $45,000 has been made available from Canadian sources, of which $10,000 was a grant from public funds.

3. No decision has been taken concerning additional Canadian government assistance.

USE OF LIME TO COMBAT STRONTIUM 90 IN WHEAT

*Question No. 1,440*—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

1. Has the Department of Agriculture inaugurated any program to encourage increased lime applications on wheat lands to combat the tenfold increase of strontium 90 in spring wheat reported by the Department of National Health and Welfare in the September issue of "Data from the Radiation Protection Programs"?
2. Has the department inaugurated any similar program with regard to increasing calcium intake of livestock to counteract the uptake of strontium 90 by cattle?

**Mr. Hays:** 1. 2. No.

The Departments of Agriculture and National Health and Welfare keep closely in touch with each other in such matters. It is felt that the measures mentioned are not required to ensure public safety with the levels of strontium 90 that have been found to date.

*INCREASES IN BREAD PRICES

*Question No. 1,445*—**Mr. Pigeon:**

Since this government took office, what have been the increases, if any, in the prices of bread and milk in the cities of Montreal and Toronto?

**Mr. Sharp:** As measured by the consumer price indexes for Montreal and Toronto respectively, the price of bread increased 2.8 per cent in Montreal and decreased 1.4 per cent in Toronto between May 1963 and September 1963. Over the same period, the price of milk was unchanged in Montreal but increased 0.8 per cent in Toronto.

BEER ADVERTISING ON TELEVISION

*Question No. 1,453*—**Mr. Laprise:**

1. Have any consultations been held between the B.B.G. and the Secretary of State in connection with the decision taken by the B.B.G. to increase from 12 to 60 seconds the time allowed on television for advertising by breweries?
2. Were temperance associations requested to present their views on this matter before a decision was taken and, if so, how many, and what associations accepted such an invitation?
3. Is the decision taken by the B.B.G. in this matter irrevocable and final?

**Mr. Pickersgill:** 1. No consultations were held between the Secretary of State and the B.B.G. in connection with the decision by the board to amend the regulations governing the advertising of beer and wine by broadcasting stations. The amendment enacted by the board on August 29, 1963, does not, in fact, increase the time allowed on television for advertising by breweries, but it permits certain changes in the form and technique of such advertising.

2. As required by section 11(2) of the Broadcasting Act, the board published in the Canada Gazette of July 20, 1963, a notice of its intention to amend the regulations governing the advertising of beer and wine by broadcasting stations. Copies of this notice were at the same time provided to the press gallery of the House of Commons and were sent out to those names on the board's general mailing list. The notice confirmed that representations on the proposed amendment would be received by the board at a public hearing on August 27, 1963. Association Lacordaire et Sainte-Jeanne d'Arc du

Canada was the only association which advised the board that it wished to present representations at the August 27 public hearing.

3. Under section 11 of the Broadcasting Act, the board is empowered to make or amend regulations. Regulations having been enacted by the board may only be changed or revoked by the board under the authority of section 11 of the act.

SUBSIDIES PAID TO JAMES CULLEN AND SONS, WOODSTOCK, ONTARIO

*Question No. 1,457*—**Mr. Scott:**

1. During the year 1963, has the government or anyone on its behalf conducted an investigation and/or audit of the affairs of James Cullen & Sons, Ltd., of Woodstock, Ontario, relating to the payment of subsidies to the company by the Department of Agriculture?

2. Has such investigation and/or audit disclosed that subsidies have been improperly claimed from the Department of Agriculture?

3. Briefly, what has been the result of the said investigation, and what action has to date been taken by the government in this connection?

**Mr. Hays:** 1. Yes.

2. Yes.

3. The amounts improperly claimed have been recovered.

FARM CREDIT CORPORATION VICE PRESIDENT

*Question No. 1,483*—**Mr. Langlois:**

1. Has the position of vice president on the board of directors of the Farm Credit Corporation, which was vacant in May, 1963, been filled and, if so, by whom?

2. Is this person a Canadian of French or English origin?

**Mr. Hays:** 1. No. This matter is presently under consideration.

2. Not applicable.

**Mr. Rapp:** Mr. Speaker, on a point of order, my question No. 1,335 has been on the order paper for some time. All I wanted to know was how many grain boats were waiting to be loaded during the strike. Surely it does not take that long to count these boats.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNICIPAL WINTER WORKS PROGRAMS, PONTIAC-TEMISCAMINGUE CONSTITUENCY

*Question No. 1,280*—**Mr. Martineau:**

1. How many municipalities within the constituency of Pontiac-Temiscamingue instituted a works program under the winter works incentive program during each of the fiscal years 1958-59, 1959-60, 1960-61, 1961-62 and 1962-63?

2. What are, in each case, the names of such municipalities, and what were the costs, in each case, of such works program?

3. How many applications have to date been received by the federal Department of Labour from municipalities located within the constituency of Pontiac-Temiscamingue for participation under the current winter works incentive program?

4. What are, in each case, the estimated costs of such works programs?

Return tabled.

COAL—PRODUCTION, EXPORTS, IMPORTS AND SUBSIDIES

*Question No. 1,369*—**Mr. Martineau:**

1. What was the total Canadian production of coal in 1962, showing the quantity for each class of coal produced?

2. What is, for each such class of coal, the estimated Canadian production for 1963?

3. What is the total Canadian export of coal for each such class, for each of the years 1957, 1959, 1960, 1961, and 1962?

4. What is for each class of coal, the total imports into Canada, for each of the years 1957, 1958, 1959, 1960, 1961, and 1962?

5. What is the estimated total quantity of coal exports for each class of coal for 1963?

6. What is the estimated imports of coal into Canada for each class of coal for the year 1963?

7. What were the total subsidies paid by the Canadian government to coal producers by provinces for the years 1956-57, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, and 1962-63?

Return tabled.

## LABOUR RELATIONS

REFUSAL OF U.S. DOCK WORKERS TO LOAD CANADIAN SHIPS

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I should like to ask the Prime Minister whether he is going to report on the widespread refusal of United States dockers to load Canadian ships, as reported in today's Ottawa *Journal*, which refers to a statement made by Mr. Tanner, vice president of the S.I.U. of North America, that the S.I.U. program of picketing Canadian ships would last indefinitely. I would ask him whether, in face of what is taking place in this connection on the great lakes, a stern note will be sent to the United States government asking for the co-operation of that government in law enforcement, protesting against the flagrant violations of Canadian rights which are taking place.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the matter has already been taken up with the United States government. It was taken up again this morning, and the state department has been again informed of the views of the government in respect to this matter. I would point out that when the Leader of the Opposition talks—I am not sure whether I am using his exact words—of the widespread holding up of Canadian ships, I believe there are three ships which have been subjected to picketing over the week end. One in Chicago has been in that unhappy position for a good many weeks. One in

Superior, Wisconsin, was loading United States barley, and when it was unable to proceed with loading United States barley it moved to Fort William, where it will load 600,000 bushels of Canadian wheat, which I think is an improvement from the Canadian shipping point of view. The third ship which was picketed, I believe in Buffalo, has been cleared and the ship is operating.

**Mr. Diefenbaker:** The report says that this is going to be continued. I ask the Prime Minister now, has he been in touch with the President in this connection and protested against it?

**Mr. Pearson:** I have been in touch with the United States government as recently as this morning.

**Mr. Diefenbaker:** Not with the President on the "hot line".

REPORTED STATEMENT RESPECTING INTERFERENCE IN UNION AFFAIRS

On the orders of the day:

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, I should like to direct a question to the Minister of Labour. In the *Christian Science Monitor* of Saturday, under the byline of Associated Press and Reuters dispatches, there is this statement with reference to the trustees: "The trustees have agreed not to interfere with the union's internal affairs". Is this correct?

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, I have not been talking to the trustees at all since last Wednesday night, but I did notice in the week end press that Mr. Justice Dryer stated on his arrival in Vancouver that no arrangements had been made with Banks as a prelude to getting the men back to work, and I think Mr. Millard, the other trustee, specifically dealt with this particular question and said that no commitment had been made with respect to any trusteeship decision, or that no commitment had been made by the trustees not to interfere in the operations of the S.I.U. So I think in this instance we must rely on a Canadian-made statement rather than a Boston-made statement.

## BREAD

REQUEST FOR INVESTIGATION INTO PRICE INCREASES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Justice. In view of the fact that it requires an increase of 30 cents a bushel in the price of wheat to warrant an increase of one cent a pound on a loaf of bread, has the restrictive trades practices branch looked into the recent increase in the price of bread? If so, is there any indication that the milling monopolies across Canada have once again been guilty of price fixing, as they were found to be guilty some time ago?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, the director of research in the combines investigation branch is keeping under surveillance the question of prices of bread. He had the matter up for discussion with me prior to his departure for Paris and the United Kingdom, which was a short time ago. At that time he gave no indication to me that there was sufficient evidence before him to warrant a prosecution.

**Mr. Douglas:** May I ask a supplementary question. If the minister's department has not been able to make a full investigation, would he consider referring this matter to the committee on agriculture and colonization for a full study of bread prices as related to flour and wheat prices?

**Mr. Chevrier:** As the hon. gentleman knows, the jurisdiction of the Minister of Justice is under the Combines Investigation Act, and that will be pursued. So far as the other matter is concerned I would have no objection, but it would not be my decision to refer the matter. If that is the wish of the house, I think there are methods whereby that can be done.

**Mr. Douglas:** Would the minister agree, in view of the ruling today by Mr. Speaker, that any matter referred to the committee must originate with the government? I have not had an answer. Could I ask the Secretary of State as government house leader if the government would be prepared to refer this matter to the committee on agriculture and colonization?

**Hon. J. W. Pickersgill (Secretary of State):** I would not think of committing the government without consulting with my colleagues. I will be very glad to do that and report to the house.

## LABOUR CONDITIONS

WINTER WORKS—REQUEST FOR EXTENSION OF PERIOD

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I have a question for the Minister of Labour.

Since today is the 28th of October, has the government decided to have the winter works program initiated on October 30 instead of

November 30, as it should normally be, in order to help underdeveloped and depressed areas in Canada?

[*Text*]

**Hon. A. J. MacEachen (Minister of Labour):** The Prime Minister recently made a statement in the house on the general policy of the government in this regard and gave reasons why it was felt the present dates selected for the operation of the winter works program would be most effective in creating the maximum number of jobs during the period of high seasonal unemployment.

[*Translation*]

**Mr. Caouette:** Does the minister agree that it is urgent to help those depressed areas?

[*Text*]

FALCONBRIDGE NICKEL—PROPOSED LAY-OFF OF EMPLOYEES

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, may I direct a question to the Minister of Labour?

In connection with the lay-off at the Falconbridge nickel mine, in the Sudbury area, can the minister tell the house whether his department has reached a decision concerning the proposals made by unions and union members of the Falconbridge nickel mine?

[*Text*]

**Mr. Speaker:** May I suggest that this is a question for the order paper?

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a question of privilege which applies not only to what took place today but to what has taken place on many other occasions.

Whenever a member of the house puts a question in French to an English speaking minister, the minister listens to the simultaneous translation and only gets the point a few seconds after the question has been asked. That happens every time and explains the apparent hesitation on the minister's part when he starts to get up, but you lose no time ruling the question out of order.

That is my question of privilege. When a question is put to him in French, we should allow an English speaking minister a few extra seconds to hear the question in full instead of always thinking he does not wish to answer. I feel it would be wise to wait a few seconds to make sure the minister has heard the question in its entirety. A case in point is what happened a few moments ago when the hon. member for Villeneuve asked his question.



[*Text*]

**Mr. Speaker:** Order, please. I have listened very carefully in French and English, and I am capable of listening in French and in English, to the hon. member for Lapointe. The question asked by the hon. member for Villeneuve was out of order, at least should have been put on the order paper, because the information he expected to get from the minister was not such that a minister could, on the spur of the moment, be expected to give to the house. I did not need to wait for the minister to make up his mind, because the question itself was faulty.

**Mr. Caouette:** On the point of order, Mr. Speaker, may I say that the minister was just going to rise to answer my question.

## POST OFFICE DEPARTMENT

SPRUCEDALE, ONT.—APPOINTMENT OF POSTMASTER

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** I wish to direct a question to the Postmaster General. Were two veterans by-passed in favour of a non-veteran in appointing a postmaster at Sprucedale, Ontario?

**Mr. Speaker:** I am sure the hon. member would prefer to put that question on the order paper.

REQUEST FOR REFERENCE OF ESTIMATES TO COMMITTEE

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to ask the Postmaster General a question based on the disturbing information given by the hon. member for Hastings-Frontenac when he spoke on a question of privilege earlier today. Does the minister not think it is about time the estimates of his department were referred to the standing committee for close examination?

**Hon. Azellus Denis (Postmaster General):** It is not the question of the hon. member for Hastings-Frontenac that is disturbing to the hon. member. It is the answer.

**Some hon. Members:** Oh, oh.

LIST OF CONSULTANTS—NAMES OF CANDIDATES NOT FILING EXPENSE RETURNS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Secretary of State. My question relates to a current matter, but it is based on a question of privilege which I raised on November 30 of last year, when the previous

government was in power. My point of privilege was that it did not seem to me to be appropriate that persons who had violated the law should be appointed to certain positions. I referred to defeated candidates who had failed to file their expense returns. The Secretary of State supported my point of privilege and felt that these people, like other citizens, should obey the law.

In view of that fact I wonder if the Secretary of State would call to the attention of his colleague, the Postmaster General, sessional paper No. 1B, which the Secretary of State tabled on October 1, 1963, and which lists a number of people who failed to comply with the law by not filing their return. Because a number of these people are on the Postmaster General's list of consultants, would he not suggest they should be excluded from that list?

**Hon. J. W. Pickersgill (Secretary of State):** I think the hearing of the Postmaster General is just as good as mine.

**Mr. Knowles:** Why do we get this difference in attitude on the part of the Secretary of State when he is on that side of the house as compared with when he was on this side of the house?

REQUEST FOR INVESTIGATION INTO CHARGES OF PATRONAGE

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** I should like to direct a question to the Prime Minister. In view of the various charges relating to the unusual patronage in the Post Office Department, will he look into the matter and inform the house whether there is such a policy of Liberal preference over a veteran's preference?

**Mr. Speaker:** I do not believe that question is in order. If the hon. member wishes to make a charge he should make it and not put a question in that form.

**Mr. Aiken:** On the point you have raised, Mr. Speaker, we have spent a good deal of time on questions of the Postmaster General, and if these charges are well founded surely the Prime Minister could clear it up. If they are unfounded, then he could tell us that there is no such patronage in the Post Office Department.

## INDUSTRY

TRENTON, N.S.—REQUEST FOR ORDER FOR RAILWAY CARS

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** I have a question for the Minister of Labour. In view of the extreme urgency and importance of this matter to my constituents and to the whole area, may I ask the hon. gentleman whether he has received a communication from the annual clergy conference of the diocese of Antigonish held at East Bay, Cape Breton, requesting a railway car order for the Eastern Car plant at Trenton, Nova Scotia? If so, will the minister advise the house what action the government will take on this pressing matter.

**Hon. A. J. MacEachen (Minister of Labour):** I do not recall receiving any such communication, but I will check and let the hon. member know.

NOVA SCOTIA—ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, I have a question for either the Minister of Labour or the Prime Minister. Has the Prime Minister or the Minister of Labour received an urgent communication from a congress of the clergy of the diocese of Antigonish in reference to the location of a heavy water plant in Cape Breton?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I will have to look into that. I have received a good many communications on this matter, but I am not sure whether this is among them.

## ADMINISTRATION OF JUSTICE

REVIEW OF SECURITY PROCEDURES—INQUIRY AS TO RETROACTIVITY

On the orders of the day:

**Mr. David Orlikow (Winnipeg North):** I wish to address a question to the Prime Minister. Did the statement he made on Friday night with regard to security procedures apply to members of the armed forces as well as to those employed in government departments? If so, can people who have already been the subject of adverse decisions now ask for a review of their cases under the new regulations? I am thinking of the Petersen case.

**Right Hon. L. B. Pearson (Prime Minister):** The statement did apply to members of the armed forces, but it is my view that it would be undesirable to make this procedure retroactive. The cases which have been decided under the procedure which applied when the decisions were taken should be regarded as closed. To go back and reopen any particular case would involve, surely, the risk of having to reopen them all, and the situation in this respect might become altogether impossible.

*Inquiries of the Ministry*

**Mr. Colin Cameron (Nanaïmo-Cowichan-The Islands):** Did not the government actually reopen a case not very long ago concerning a man in the armed forces, the case of Gordon Knott?

**Mr. Pearson:** That is right, but I am being asked whether we would make the new procedure retroactive to cover all cases in the past, and I think that would be undesirable.

**Mr. Orlikow:** May I ask the Prime Minister if the new procedures have been embodied in written regulations or in written form. If so, will they be made available to the house?

**Mr. Pearson:** They will be embodied in written regulations and in written form. I will be glad to look into the question of whether they could be made available to the house, but I would point out that it would be undesirable to make these regulations at the present time. We are having a debate on the subject, and some good suggestions were made the other night. I do not think we should put these regulations into written form until the debate is concluded.

## ROYAL CANADIAN MINT

REPORTED INTENTION TO MOVE FROM OTTAWA TO HULL

On the orders of the day:

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I should like to direct a question to the Minister of Public Works.

In view of the contradictory reports concerning the future location of the royal mint, could the minister inform the house of the government's intentions in that respect?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, I read an article in Saturday's newspaper which confirmed what everybody knows, that is that the hon. member for Hull looks most actively after the interests of his riding.

However, I must say that no decision has been made concerning the possible relocation of the royal mint and that no new site has been chosen in case it were moved.

**Mr. Martineau:** A supplementary question, Mr. Speaker.

In view of the reference made by the minister with respect to the hon. member for Hull, could he tell us if there are grounds for his remarks on this matter?

**Mr. Deschatelets:** Would you kindly repeat the last part of your question?

**Mr. Martineau:** I would like to know whether the remarks made by the hon. member for Hull are founded.

[Mr. Pearson.]

**Mr. Deschatelets:** Mr. Speaker, if the remarks made by the hon. member for Pontiac-Temiscamingue are meant to find out how I might feel about such a project, I must tell him that I am always favourably inclined towards any project that would benefit the city of Hull.

**Mr. Caouette:** A supplementary question, Mr. Speaker—

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to put a supplementary question to the Minister of Public Works. Can he tell the house if he intends to reach a decision about that matter soon, so that one may know if the mayor of Ottawa has more influence than the hon. member for Hull?

**Mr. Deschatelets:** Mr. Speaker, that decision will have to be taken by the government, and the house will be told about it in due course.

**Mr. Caouette:** Mr. Speaker, is the Minister of Public Works suggesting that the hon. member for Hull is making irresponsible statements in the press to the effect that the mint would be moved to Hull?

[*Text*]

## PUBLIC SERVICE

EXTENSION OF SALARY INCREASES TO RECENTLY RETIRED CIVIL SERVANTS

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 the gross injustice felt by those affected, will the government reconsider its decision not to grant retroactive pay increases to federal civil servants who were on strength after the effective date of such increases but who had retired before they were announced?

**Hon. Walter L. Gordon (Minister of Finance):** This question has been raised on a number of occasions, and I have nothing further to add on the subject.

**Mr. Knowles:** Would the hon. gentleman and the government reconsider this matter before we reach the point where we have to approve of the government's decision by voting for a certain dollar item in the estimates?

GLASSCO COMMISSION—IMPLEMENTATION OF REPORT

On the orders of the day:

**Mr. Reid Scott (Danforth):** Mr. Speaker, I want to ask the President of the Privy Council a question. In view of the very widespread interest in the matter, would the minister

make a statement this week as to the government's intentions with regard to the recommendations contained in the Glassco commission report?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, I could probably be ready to make a statement on this matter very soon, but first I would want to have a word with the leader of the house.

**Mr. Scott:** Can the minister indicate when we can expect this important statement?

**Mr. Lamontagne:** I may give an answer to the hon. member tomorrow.

## ROYAL CANADIAN AIR FORCE

SUMMERSIDE, P.E.I.—INQUIRY AS TO CLOSING OF STATION

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** I have a question for the Minister of National Defence. Can the minister advise me whether he has received a telegram from the Charlottetown and district labour council regarding the possible closing of the R.C.A.F. station at Summerside, and whether he has been able to give this important body an assurance regarding the matter?

**Hon. Paul Hellyer (Minister of National Defence):** I have received a telegram and I am surprised that this body, or the hon. gentleman, would even think I would think of doing such a thing.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Perhaps the minister would give us his comments with regard to these suggestions that the R.C.A.F. station at Summerside is to be closed.

**Mr. Hellyer:** I shall be glad to tell the hon. member tomorrow.

## HEALTH AND WELFARE

REPRESENTATIONS RESPECTING ANIMALS USED IN SCIENTIFIC RESEARCH

On the orders of the day:

**Mr. Arnold Webster (Vancouver-Kingsway):** I should like to ask the Minister of Justice whether he recently received a brief entitled "The protection of animals used in scientific research". If so, would the hon. gentleman tell us what action, if any, is contemplated?

**Hon. Lionel Chevrier (Minister of Justice):** Notwithstanding the urgency of this question and, I must say, the importance which attaches to it, the reply I have to make is that I did receive a copy of this brief. I referred it to my colleague the Minister of National Health and Welfare, because it is her department which would be concerned with taking any initiative in this matter. At that time I explained my position to those who had sent me the brief, and suggested that they direct any further submissions they might have to make to the Minister of National Health and Welfare.

**Mr. Webster:** A supplementary question. Could the Minister of National Health and Welfare tell us what she is doing about this matter?

## NORTHERN AFFAIRS

REQUEST FOR COPY OF ADDRESS BY MINISTER

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** I wish to direct a question to the Minister of Northern Affairs and National Resources.

In view of the importance of the occasion, the influence of the speaker and the incalescence of his subject, would the minister provide members of the house, for their illumination, with a copy of his address at the 18th annual meeting of the Saskatchewan river development association on November 1 at Moose Jaw, after delivery?

**Mr. Speaker:** I wonder whether the hon. member would put that question on the order paper.

HAINES ROAD—NEGOTIATIONS WITH U.S. GOVERNMENT

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, as found on page 3948 of *Hansard* of October 24 I asked a question of the Minister of Northern Affairs and National Resources or his parliamentary secretary. Unfortunately they were away at the time I asked the question and the acting minister, the Minister of Mines and Technical Surveys, indicated that he would try to give me an answer.

The question had to do with the completion of negotiations between the United States authorities and the Canadian authorities with respect to the maintenance of the Haines cut-off. Can the minister tell me whether those negotiations have yet been completed and, if so, what are the results?

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, I think this question was answered in part last Friday by the Minister of National Defence. Negotiations are still in progress. As my hon. friend knows, a number of bodies are interested because they can see the advantage of keeping the road open and as far as possible we want to have them all participate. We expect to make an announcement shortly.

*Inquiries of the Ministry*

**Mr. Nielsen:** The reply of the Minister of National Defence to my question concerned only the Alaska highway, not the Haines cut-off. In the absence of a clearcut answer with respect to these negotiations, can the minister assure the house that only Canadian workmen will be employed on the maintenance of this road?

**Mr. Laing:** As my hon. friend might have suspected, this is the end to which we are working.

## TRADE

POTATOES—STEPS TO PROVIDE EXPORT MARKETS

On the orders of the day:

**Mr. John Mullally (Kings):** Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of the large potato production in the maritime provinces and the very depressed market price prevailing at the present time, I wonder whether the minister could advise what action his department is taking to provide an export market for potatoes.

**Some hon. Members:** Order paper.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I think this is a question of some urgency. Perhaps hon. gentlemen do not think markets for potatoes are important, but I do.

**Mr. Nowlan:** When did you grow a potato?

**Mr. Sharp:** My officials are in contact with the potato producers and shippers in the maritime provinces and are well aware of the present need for export markets. They are exploring every possible opportunity for sales to traditional as well as new markets, and any prospects will be reported to the trade as soon as they arise.

WHEAT—COMMODITIES TO BE TAKEN FROM RUSSIA IN EXCHANGE

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, on Friday last the hon. member for Megantic addressed a question to the Minister of Agriculture which properly should have been addressed to me. I should like to answer it now. The question was whether or not Canada received any commodities, apart from cash in connection with the wheat transaction with Russia, and if so, what were those products? The answer is that all the shipments that have been made from Canada to the Soviet union have been paid for in cash. There are no barter arrangements in the agreement.

[Mr. Laing.]

## GRAIN

ALBERTA—COMPLAINTS RESPECTING QUOTAS

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce, who has just been dealing with the marketing of potatoes. Has he had a complaint from the Alberta wheat pool and farm organizations that some of the points in Alberta have not even had a one bushel quota? In answering a question by the Leader of the Opposition last week he said—

**Some hon. Members:** Order.

**Mr. Woolliams:** —that quotas would be increased by two or three bushels in Saskatchewan. Has he had any complaint from the Alberta wheat pool and, if so, is it being investigated?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I personally have not seen the complaint but I shall certainly look up the files and see if it exists. I can assure the hon. member that we are trying to increase quotas as rapidly as possible.

## INQUIRIES OF THE MINISTRY

On the orders of the day:

[*Translation*]

**Mr. Lucien Plourde (Quebec West):** Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister aware of a statement made by the Leader of the Opposition to the effect that obviously a group under the leadership of the hon. member for Red Deer would at all costs support the Liberal government?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Yes, Mr. Speaker, I study all statements of the right hon. gentleman very carefully.

**Hon. Paul Martineau (Pontiac-Temiscamingue):** I wonder if the Prime Minister can say if changes in the ministry are imminent?

## AGRICULTURE

PROVISION OF FEED GRAIN STORAGE IN EASTERN CANADA

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I have a question for the Minister of Agriculture for eastern Canada, the hon. member for Matapedia-Matane. Can the minister tell the house whether the government has initiated proceedings, or studies, in order to

give eastern Canada elevators for feed grain? If such were the case, could the minister tell us how far those investigations and studies have progressed?

**Hon. Rene Tremblay (Minister without Portfolio):** Mr. Speaker, officials of the Department of Agriculture are constantly reviewing the needs of eastern Canada in matters of feed grain, and whatever measure the government will be taking will be announced by the Minister of Agriculture.

REQUEST FOR REINSTATEMENT OF COLD STORAGE SUBVENTION

On the orders of the day:

[*Text*]

**Mr. Frank Howard (Skeena):** I wonder if in the absence of the Minister of Agriculture I could direct a question to the Prime Minister. Earlier today I received a reply to a written question indicating that the subsidies under the Cold Storage Act were suspended in July, 1962 because of the austerity program then in effect. Is it the intention of this government to reinstitute those subventions under the Cold Storage Act, especially as they apply to fisheries products?

**Right Hon. L. B. Pearson (Prime Minister):** I shall be glad to look into the matter. I am sorry the minister is not here, but he is laid up with the flu.

## SHIPPING

REMOVAL OF WRECK FROM ST. LAWRENCE RIVER

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to direct a question to the Minister of Transport of which I gave him notice. Does his department intend to pay the costs of refloating the *Tritonica* wreck which may impede winter navigation on the St. Lawrence?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, the notice of the question is somewhat different from what I heard. I take it the hon. member was inquiring about the removal of the *Tritonica,* not who would pay the cost. Responsibility for removal lies with the owner, managing owner, master or person in charge of the vessel at the time of the wreck. The owners and their agents and also the owners of the *Roonagh Head* were notified by letter of July 25 that the wreck was considered a menace to navigation and must be removed. In their reply of July 29 the owners of the *Tritonica* advised that tenders for the removal were due on August 3.

No contract has been awarded to date due to disagreement on the extent of the removal to be undertaken. The Department of Transport requests that the vessel be completely removed, and so far the owner has not signified acceptance of this. If the owner fails to complete arrangements for removal as required by the department within a reasonable time, the federal government will call tenders and see that the work is done.

An attempt is being made to have the removal take place at the earliest possible date. However, in view of some questions asked the other day on this point perhaps I should add that it is probable that the removal cannot be undertaken until spring, due to the lateness of the season and the prevalence of heavy fields of floating ice during the winter months.

## UNITED NATIONS

SOUTHERN RHODESIA—RESOLUTION RESPECTING ARMS SHIPMENTS BY GREAT BRITAIN

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Did the Canadian delegation abstain on the vote which was taken at the United Nations requesting Great Britain to stop all shipments of arms to Southern Rhodesia until that country has a representative government? If the Canadian delegation did abstain, did they do so on the instructions of the Secretary of State for External Affairs?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, in answering my hon. friend I would say that the action taken by the Canadian delegation, which of course was on instructions from the government, was predicated on the fact that the British government is engaged in difficult and complicated negotiations to bring about the dissolution of the federation of Rhodesia and Nyasaland by December 31. It has been the policy of the government and of the preceding government not to support proposals advanced at the United Nations which will impede these negotiations.

The Canadian government is concerned that the political future of Southern Rhodesia after the dissolution of the federation should be decided by negotiation and agreement between the African and the white population. The government is aware of the fact that the British government is exerting its influence in that direction. The Canadian delegation abstained on the resolution in question which passed in the committee on October 18. The resolution criticized the United Kingdom and urged the imposition of a solution in Southern Rhodesia.

This is a complicated matter. The course taken by the Canadian delegation was a responsible one.

**Mr. Douglas:** A supplementary question. Is the minister implying that all other governments which voted for the resolution took an irresponsible attitude?

**Mr. Martin (Essex East):** My hon. friend knows that my reply obviously does not reflect on the action taken by any government. But my hon. friend may be sure that the Canadian government, after assessment of its commonwealth position and in its anxiety to see all groups treated alike, believes that this is the responsible attitude to take at this time.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, in no way disagreeing with the hon. gentleman's final statement may I ask, so the record will be complete, that he place before the house the names of the nations which were the sponsors of the resolution in question?

**Mr. Martin (Essex East):** I will be glad to do that.

## PENITENTIARIES

### ST. VINCENT DE PAUL—ASSAULT OF INMATE BY GUARDS

On the orders of the day:

**Mr. Harold E. Winch (Vancouver East):** Mr. Speaker, I should like to ask the Minister of Justice if he is now in a position to inform the house of the results of the investigation by the commissioner of penitentiaries into the attack by guards on an inmate of St. Vincent de Paul penitentiary days after a riot took place, such investigation having been most strongly recommended by a judge of the Quebec courts.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I came into the house during the last week with a statement covering that matter. It is a lengthy statement, and it would be much too long for me to read. However, if I have the permission of the house I can bring it in tomorrow and, with unanimous consent, table it. It is an answer to the statements which were made before the courts in Montreal. I take it my hon. friend is referring to the Gunn case?

**Mr. Winch:** Yes. It will be brought in tomorrow and filed?

**Mr. Chevrier:** If there is unanimous consent I will have it ready for tabling tomorrow.

**Mr. Speaker:** Does the house agree?

**Some hon. Members:** Agreed.

[Mr. Martin (Essex East).]

## NATIONAL DEFENCE

### DISCONTINUANCE OF COMMUTER ALLOWANCE AT MILITARY ESTABLISHMENT

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, on October 23, as recorded on page 3922 of *Hansard*, I directed a question to the Associate Minister of National Defence in relation to the discontinuance of the commuter allowance at the Point Edward naval base. Is the minister in a position today to confirm this, or are these employees in fact receiving a cut in wages by this government.

**Hon. Lucien Cardin (Associate Minister of National Defence):** Mr. Speaker, I am informed that as of November 1 the commuting allowance will be discontinued at the Point Edward naval base in order to keep our practices in accord with those prevailing in industry. So far as any cut in wages is concerned, of course, this is not a question of wages. I understand that the Department of Labour revises the wage rates in these bases periodically.

## SUPPLY

**Hon. Walter L. Gordon (Minister of Finance)** moved that the house go into committee of supply.

### ABANDONMENT OF DEFENCE PROJECTS AND INSTALLATIONS

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I rise to take part in this debate today because of a situation prevailing in Canada that has engaged the attention of everybody and needs to be examined here in this house of parliament. I hope to open up discussion of a subject which will create a lively interest amongst all members of this chamber.

We have, as Canadians with some national pride, been disturbed about Canada's prestige abroad. It has reached an all-time low. When we read in foreign newspapers that the present government is a rudderless mess, we think it is time that parliament had a look at the situation. It is a regrettable circumstance indeed when people abroad are looking at Canada, finding fault with Canada and expressing their opinion in the printed word that the government of this country is unsuitable to carry on the work that we expect the government of Canada to do. It is a very serious matter indeed.

The prestige of the government at home is another matter of very serious concern. There is no question about the widespread discontent across Canada with regard to this

government. Almost every newspaper in Canada now is making comment which is far from complimentary to the government. I do not intend to read these newspaper comments, not even the one which was in the Toronto *Star* on Saturday last; but when a paper as close to the Liberal party as the Toronto *Star* has to take action of that sort, then every Canadian must re-examine the position of this government.

Let us not overlook the fact that only a few days ago one of the most serious charges I have ever heard in my time in this chamber was levelled against people on the treasury benches, to the extent that one of the senior members of the house, the hon. member for Kootenay West, said that when we can no longer respect the word of a member of the cabinet democracy in this country is on the down grade. This is indeed a very serious matter, and we have heard question after question put in this house to which evasive answers have been given, and to which a few misleading answers have been given.

Members of the house have been rising on questions of privilege to draw attention to these misleading statements. Only today we listened to a question of privilege respecting a misleading statement by the Postmaster General, disclosing an attitude toward the veterans of this country which does not redound to the credit of the government.

When one enters upon a subject such as this it is rather difficult to select a specific area on which to dwell, because the areas of indecision, hesitation and spinelessness are so many. Which department should one deal with? Is it the Department of Finance? Could anybody stand another rehearsal of the ineptitude and mistakes of that department? What about the Department of National Health and Welfare? Do we want to have a look at that? The department of the Postmaster General is gradually disclosing itself as one of the least well administered departments of the government, and the Department of Agriculture is being served by a minister in absentia, so it is very difficult to get any conclusive answers with regard to the problems that confront agriculture.

The Department of National Defence looks like a suitable area to which to draw a little attention, the department whose motto now reads "Tomorrow and tomorrow and tomorrow". This is the department from which we were to get decisions, but six months have gone by, 190 days—that is three times 60 days plus 10—full of indecision and inability to cope with the problems, and the hopes of the people of Canada have been frustrated.

*Abandonment of Defence Projects*

Back in March the Prime Minister wrote a letter to Canadian servicemen to bring them up to date prior to the election. I quote from the Winnipeg *Tribune* of March 26 what he said in his letter:

> Efficient and stable government at home is a first requirement.

I think it is. This is what we want, but it is not what we have been getting. He also said:

> We must regain it to rebuild confidence to bring about sound administration of the nation's business, to end deficits and promote steady economic expansion with full employment.

Then he went on to say:

> The Liberal party will take decisive action to meet these goals. It has no illusion that the task will be easy.

It has fewer illusions now.

> It means hard work for all of us.

Are these the men who were going to do the hard work and make the decisions? Then he ends by saying:

> The time has come for action and decision with a new Liberal government.

Now 190 days have gone by, and where is the action and the decision? Well, the Prime Minister made some impression on some people in the country, and the Ottawa *Citizen* on March 27 dealt with this on the question of defence:

> There is not the slightest doubt now about how a new Liberal government will proceed on the tangled and emotionally charged question of defence. As soon as parliament meets—and that will be on May 16—a Pearson government "will act vigorously, decisively and responsibly" to end the defence muddle.

Then it went on to say:

> It will refer the long range question of Canada's defence role to an all party defence committee of the Commons.

Those were bold words forecasting decisive action, but 190 days have gone by and the decisive action by the minister of defence and his department has been the scuttling of the Royal Canadian Navy.

What other decisions have we had in this 190 days? Let me give some examples of what has been going on. Going back to July 2 there was a report in the Winnipeg *Tribune* headed "Ottawa won't wait for defence views."

> Defence minister Paul Hellyer said today the government intends to make a decision on the navy's $300 million shipbuilding program without awaiting the views of the Commons defence committee. He said the review of the eight ship program would be carried on and the decision would be made within a few weeks.

We had been led to believe that we would be able to play some part in helping the government make the decisions, but on July

3 the hon. member for Victoria, who I am sure will want to participate in this debate, was reported in the Montreal *Gazette* as follows:

David Groos (L-Victoria) said yesterday in the Commons defence committee that the government seems to be making decisions on equipment procurement programs before deciding what defence policy will be.

Further on the article said this:

Mr. Lloyd (L-Halifax) said the committee apparently would not have a chance to look at the program before the government decided to cancel or go ahead with it.

I hope that hon. member will give us his views in this debate. We were led to believe the defence committee would be permitted to assist the government by discussing in advance questions of policy, and getting statements from the minister with regard to his proposed policy, so the committee would have the opportunity of making recommendations to him. But on July 5, somewhat disturbed by some of the things that were going on, the hon. member for Edmonton West asked the Minister of National Defence this question with regard to the frigate program, as recorded at page 1868 of *Hansard* for that date:

Will the decision of the government await also the recommendation of the defence committee?

Mr. Hellyer: Mr. Speaker, I have no control over the defence committee. I have no idea how long their deliberations will take, nor when they will be in a position to advise the government. I do have, under our constitution, the responsibility for making a recommendation to the government, and I will do that at the proper time.

I then asked him:

Will the Minister of National Defence refer this problem to the special committee on defence for their recommendation?

And the minister replied:

No, Mr. Speaker—

It makes it a bit awkward for a committee on defence to advise a government under circumstances such as those. However, calling back to my mind the statements of the Prime Minister early in the session that this committee was to review defence policy and make recommendations to the minister, I persisted in my questioning, and on October 1 I asked the minister of defence would he refer to the special committee on defence certain proposed changes in defence policy which he had referred to in a speech outside this chamber.

He was very evasive and said:

Mr. Speaker, no doubt the committee will wish to consider all these problems and I will be most happy if it does so.

I was not satisfied with that answer and asked him again:

[Mr. Churchill.]

May I ask the minister again, will the committee have an opportunity before he makes his decision to inquire into and give him advice with regard to proposed changes in policy?

His reply was:

I am not a member of the committee, Mr. Speaker. I cannot really control how fast it acts. If it acts with dispatch I have no doubt it will be able to consider some of these problems before the decision is made. If it is tardy in its deliberations it may not be able to do so.

We are not told when the minister is going to make these statements or disclose them in advance to the press. He is not putting before the defence committee the subject matter that we should like to discuss with him. But what is one to do about it. I have pressed him on a number of matters. On October 22, page 3857 of *Hansard*, I asked him:

—is it the intention of the government to purchase United States armoured personnel carriers rather than the Canadian produced type?

The Minister of National Defence answered:

Mr. Speaker, no decision has been taken in this matter yet. When it is it will be announced in the usual way.

I submit the announcement "in the usual way" is to leak information to the press. We read about it in the press, and do not hear about these matters in the House of Commons. I made the mistake the other day of thanking the minister for announcing in the House of Commons the proposed reduction of the frigate program, because I found it was all in the press several days before. This is an affront to parliament. Away back on July 6 the hon. member for Three Rivers (Mr. Balcer) warned that the elimination of the frigate program would be a disastrous blow to employment in Canadian shipyards. This is reported in the Montreal *Gazette* of that date. Both the hon. member for Edmonton West (Mr. Lambert) and myself asked the minister whether he would refer the matter to the defence committee for its recommendation or await such a recommendation. The minister declined. He said that the views of the defence committee would, however, be taken into consideration along with representations from other sources. But this is after the fact, after he has taken his action, and not before. Every newspaper I have picked up recently has some story about national defence, some story based on statements which the minister has made outside the house or some statement from informed sources and so we have to watch very closely to see what he is doing. We cannot depend on him to inform the house or pass the word on to the committee. Away back on September 4, according to the Winnipeg *Tribune*, which quoted a Canadian Press dispatch, the minister indicated that he would cancel the

frigate construction program initiated by the former government. On September 17 the Quebec *Chronicle* took a look at the Associate Minister of National Defence (Mr. Cardin), and I think he should be given more prominence instead of being in the shadow of the Minister of National Defence. When the associate minister took office back in April he stated that his position was co-ordinated with that of the Minister of National Defence on an equal basis, that he should not be kept in the shadows. The Quebec *Chronicle* of September 17, under heading: "Government dodging clear stand on naval building issue", had this to say:

> One would have thought that the cue given by Mr. Lowery—

—who was speaking at the meeting which was attended by the associate defence minister—

> —the associate defence minister would have had an excellent opportunity to say something ex cathedra on the subject. He is presumably not a little cog in the government machinery, but a real big wheel. As associate minister he is obviously intimately aware of government policy on the subject—if, in fact, there is any policy.
>
> Did Mr. Cardin rise to the occasion and make a clear statement? Not at all. Mr. Cardin waffled. He gave his listeners a history of the Qu'Appelle—

—and he failed to give any indication as to what his program was. I think the Minister of National Defence should permit the associate minister to leak some of this information out to the press from his office, as is obviously happening.

On October 1 the Winnipeg *Tribune* quotes Southam news service as follows:

> Defence minister Paul Hellyer practically admitted Monday that the R.C.A.F. decision, now reversed, to use Penhold as a jet training base was made without all the facts in hand.

I am not going to deal with that particular area of decision and indecision, advance and retreat; I will leave that to others to discuss.

On October 12 the Ottawa *Journal* carried the heading: "Mr. Hellyer whittles". He is sitting in a corner somewhere, whittling away with a jackknife. This article says:

> The R.C.N. sees old veterans of the destroyer fleet going into retirement with no decision made on whether there will be new all-purpose frigates or a clutch of submarines to keep the navy up to date in years to come. There is uncertainty about the future of the Bobcat armoured personnel carrier for the army now under development. The R.C.A.F. is concerned that only 25 per cent of its budget is available to buy equipment which is more complex and more expensive.
>
> Mr. Hellyer has a responsibility to eliminate useless expenditures but he also has a duty to maintain efficient defence services for the protection of Canada and to keep faith with our allies.

And so it goes—decisions announced by way of the press, and failure to let us have a go at these things in the committee which was set up for that specific purpose, in accordance with the instructions that this house received from the Prime Minister (Mr. Pearson).

On October 9 the Ottawa *Citizen* reports the following, and the question here was with regard to the naval program. I had asked him a question and the newspaper reports this. The defence minister said:

> I hope to reach a decision very soon—

I had asked whether the minister wanted a recommendation from the committee, and the minister said he did not think this would be necessary, although of course the committee had the right to do so. Well, Mr. Speaker, what can you do with a minister like this, who is advancing a program piecemeal through the press and not through parliament, or with the assistance of the defence committee?

On October 16 the Winnipeg *Tribune* quoted a Canadian Press report as follows:

> The government plans to switch half the R.C.A.F. strike force to low level jet bombers in Europe to a non-nuclear role, informed sources say.

When I asked the Minister of National Defence whether something like that might be done he brushed me aside. Away back on May 30 I said the CF-104 Starfighter might be modified. I asked him whether he was aware that the Starfighter aeroplane with appropriate modifications could use a conventional bomb instead of a nuclear weapon and he gave me a profound answer from high Olympus. He started off by saying that I knew nothing about it, but that is the normal answer I get from the minister. Then he said, as reported at page 486 of *Hansard*:

> It is not a good all-purpose, general weapons platform, and the particular configuration purchased by this government was designed in such a way that it is virtually useless for anything except the role that was undertaken by the previous government; and the modifications which could make it useful for some other purpose are so considerable, and the effectiveness that it would have under those circumstances would be so low, that no military adviser would ever recommend it to any government, I can assure you.

Now an informed source says that the government is planning to switch out of low level jet bombers to a non-nuclear role, which means that it will have to be modified in order to carry a non-nuclear weapon. We have seen, and are seeing, massive confusion in the Department of National Defence, and along with the other departments I have mentioned this department is creating confusion in the minds of the public and is contributing to the lowered prestige of the present government. Three times 60 days for decision, with 10 days extra, and the government have created the impression in the minds of the people abroad and in the minds

of the people at home that they are the most ineffective government which Canada has seen since confederation.

The most recent announcement made by the minister with regard to the frigate program constituted a shattering blow to the senior service in Canada, a service which has a remarkable record both in war and in peace. Yet this shattering blow was dealt to the Royal Canadian Navy without any suggestion of an alternative being put forward so that the service could keep going. Now we find all the men in the Royal Canadian Navy considering, and rightly, that this government is washing its hands of the service and intends to scuttle it. Everyone in the navy knows that the present ships are rapidly becoming obsolete and that new ones need to be provided. I expect most members of this house know that a shipbuilding program cannot be completed in one year or in two years—it has to be a continuous process lasting over a number of years and a start has to be made immediately, before present vessels go out of service. The pride of Canada, the Canadian navy, has been shattered by the Minister of National Defence, working in accordance with the plans of the Prime Minister and the government to reduce the effectiveness of our armed forces.

The effect of the blow which is being struck at the morale of the navy will be hard to calculate. As anyone who has had experience of the services knows, morale is a factor of the highest importance. If morale is high, people can sometimes manage with equipment which is not the best; but if morale is damaged the whole organization suffers. I think it was a terrible thing for the minister, acting of course with the approval of the Prime Minister, to announce in the house the cancellation of the program the other day without having consulted the defence committee, without even asking the committee for its advice. A preliminary statement appeared in the press and then an announcement was made in the house in order to satisfy our demands with regard to the authority of parliament. We spend all these hours in the defence committee discussing these very matters, and then we find our feet cut right out from under us. What a waste of time it is. We are discussing whether to put our money into one thing, or into another, and here the minister has decided: "This is it." We might as well disband the committee. When I asked the hon. gentleman if he wanted advice on the frigate program, he said it was not necessary.

What does this committee sit for? This is certainly a derogation of the functions of parliament—a refusal to let us determine some



of these issues. Yet that was the purpose for which the committee was set up. Statement after statement was made by the Prime Minister to the effect that the committee was to assist in the solution of this great problem facing Canada, namely what our defence policy should be. We want to assist. We have been attending meeting after meeting. Yet our assistance has been refused by the Minister of National Defence.

I do not intend to discuss the work of the committee in any detail, but if it has served no other purpose it has, in the course of its deliberations, learned the truth with regard to the Arrow program, and this has more than repaid us for all the hours we have spent in that committee. Now we have it clearly set out that in 1957 the government of that day was prepared and determined to cancel the Arrow program, but they deferred taking action because there was an election.

**Mr. Diefenbaker:** Falsified the position completely.

**Mr. Churchill:** When we tried to find some method of dealing with this problem we were accused of having sabotaged the defence program, of having destroyed the Royal Canadian Air Force and of having ruined the air industry in Canada. Now we know the facts. Now we have the statement by General Foulkes detailing the advice which was given to the former administration in 1957, and the fact that they deferred taking a decision to cancel the program because there was an election coming up and they did not want the people to have the truth.

**Mr. Pickersgill:** Would the hon. gentleman let me ask him a question? Has he just told us that a decision had been made in 1957 to cancel the Arrow program but that it took his government until February, 1959, to carry out a decision which had already been made.

**Mr. Churchill:** We did not look back at the secret conclusions of the cabinet. When we took office in 1957, the prime minister said we would not look back at the conclusions of the earlier administration but follow the well established practice of parliamentary government, by putting aside those conclusions. My right hon. friend said we would make our own decisions and go ahead. But the situation has changed. There has been a great search, in 1963, of the secret deliberations and conclusions of the cabinet of the previous six years in order to find something which has never been found and which cannot be located. How many hours of searching was done by the Secretary of State (Mr. Pickersgill) or by Secretary of State for External Affairs (Mr. Martin) in an effort to produce the document they hoped to find within those secret records?

One way to destroy the effectiveness of parliament is for an incoming government to act in that way toward an outgoing government. To do so is to break with a tradition established over generations and, regretfully, we have to deplore this action by the present government. Whether or not the government in the early part of 1957 had arrived at a written cabinet conclusion with regard to the cancellation of the Arrow program I do not know, because none of us ever examined those conclusions. However, we have the authority of the chief of staff for saying that this was the advice which was given. Yet hon. gentlemen opposite failed to take action because of the fear of an election. So they saddled the Canadian people with these tremendous expenditures, knowing all the time that the cost of these airplanes had jumped from $2 million to $8 million per copy, and knowing also that the requirement had dropped from 400 planes to 100 planes. They had that knowledge, but they did not want to take action; they did not want to tell the people the truth. They saddled us with the problem and then, throughout 1957 and 1958 they condemned us in the harshest terms for our bold and decisive action with regard to the Arrow program.

**Mr. Pickersgill:** After 18 months.

**Mr. Churchill:** I wish I had time to remind the house of some of the words the Minister of National Defence used in those debates—how he condemned that great gentleman who was then the minister of national defence, Mr. George Pearkes, for his actions on that occasion. It is a shocking record which, eventually, we may have to bring forward to show just what the attitude of the present Minister of National Defence was when he was in opposition, and when he was so irresponsible.

I said I hoped the subject I was introducing would develop a lively interest, and I am sure there are members on the other side who would like to take part in this debate. I do not wish to deprive them of the opportunity. In any case, there are many on this side who will have additional information to lay before the house, so I will conclude by moving, seconded by my hon. friend from Oxford (Mr. Nesbitt):

That all the words after "that" be deleted and the following substituted therefor:

"This house regrets the widespread confusion, unrest and damage caused by the government's piecemeal pronouncements concerning abandonment of defence projects such as, in particular,

(1) the cancellation of the general purpose frigate program,

(2) the cancellation of the conversion of R.C.A.F. station Penhold for jet training, and

(3) the contemplated abandonment of other defence establishments, and deplores that such steps have been and are being taken without seeking the views of or awaiting recommendations from the special committee on defence."

**Mr. Harold E. Winch (Vancouver East):** Mr. Speaker, until a few moments ago it was impossible for all hon. members to know what grievance was being raised by the official opposition on this supply motion. As you will understand, sir, it is therefore impossible for us at this time to comment on the subject by the use of direct quotations from newspapers or from the evidence presented thus far to the special committee on defence. However, it does not make a great deal of difference to us that we are not able to do so.

In my opening remarks on behalf of this group may I say I regret very much that the hon. member for Winnipeg South Centre (Mr. Churchill), in presenting something which I would have supposed would have been based on principle, made use of so many "I's". There were so many "I's" that I started to wonder whether he was and is the only member of the defence committee of the House of Commons. He has also seen fit, for reasons best known to himself, to convey what may or may not be the conclusions to be drawn from the evidence which has been presented to the House of Commons committee on defence. However, I do want to say that I agree in part with the hon. member, who has introduced a want of confidence amendment to a supply motion.

It has been my privilege to be a member of two defence committees of the house in the past 10 years. The first one was a special committee on defence that dealt wholly and solely with the estimates of the department which had been referred to the committee by the house. At that time the hon. gentleman who is now Minister of National Defence (Mr. Hellyer) was an opposition member. I can remember questions being asked of the then minister of national defence, Major General Pearkes, and the military authorities day after day in our meetings and we could not get any answers. This question was a matter of policy; that question was a matter of security. I still have a vivid memory of the man who is now Minister of National Defence being aroused and irked that the committee could not get the information it desired.

Today we have another committee of the House of Commons on defence which was set up, not to deal with the estimates but with policy, a committee which was given a great build-up by both the Prime Minister (Mr. Pearson) and the Minister of National Defence. I find there is no difference in the situation between trying to get information from the present Minister of National Defence and the situation when the present minister

was a member of the opposition and he and I were trying to get information on the estimates. It is very strange what happens to members when they cross the floor from one side of the house to the other.

The present special committee of the house was given very great responsibilities. There has been a great deal of criticism of the committee in the press both in reports and editorials, but I do not think the members of that committee should be too concerned about that, as long as they try to do the job for which they were appointed. We have not been allowed to do the job for which we were appointed because over the weeks it has been made clear to us that the Minister of National Defence, in view of his responsibilities in that position and as a member of the government, would make his own decisions. Therefore the committee was basically a window dressing show behind the curtains of which the government would do whatever it jolly well pleased.

This has disturbed a great number of the members of that committee because, first of all, we read in the newspapers leakages as to probable or possible policy and then at the very time we are receiving evidence on certain phases of defence policy an announcement is made by the government as to what the policy is, without the government even having the decency or courtesy to say a word to the special committee on defence.

A few moments ago I criticized the previous speaker for using "I" so much, but may I say that on three occasions in the defence committee meetings I suggested we should give consideration to whether or not the committee should be disbanded, because we were just being used as window dressing or camouflage while the government was proceeding to reach its own decisions as to what it was going to do, anyway.

Irrespective of that, Mr. Speaker, I think there is a major job which can be done by the committee, and that is the laying down of a defence policy over the years and giving some indication of our views in that regard on the basis of the evidence we have had from some very excellent witnesses. It is only because I think we still have a job to do in analysing the past and the present and trying to lay down an over-all picture for the years ahead that I am still prepared to remain a member of the committee.

But I do want to point this out and I do so by way of a challenge, if you like, to the previous speaker because, I did not think he was fair. I believe he spoke from the point of view of Conservative opposition bias, and not as a member of parliament and of the committee of the house which is making an analysis in the interests of Canada to find out what our defence policy should be. There are times, sir, when you must recognize that partisanship is not the right attitude to adopt. Admittedly, it was a serious thing when the Minister of National Defence (Mr. Hellyer) told this House of Commons that the government had reached a decision to eliminate the expenditure of $425 million on the general frigate program. Of course, sir, this announcement hit our shipyards very hard. It hits hard at thousands of our workers in the shipyards.

But, sir, if the members of this House of Commons are motivated by sincerity and honesty, then they must act on the basis of principle. I say, Mr. Speaker, that if you accept the statement made by the vice-admiral who appeared before the defence committee, all the evidence tended to show that the general frigate program would not aid the defence of Canada, would not improve our contribution to NATO or any other alliance and was a useless expenditure of the taxpayers' money. Therefore, anyone who guides himself by principle and not partisanship, by being constructive and not obstructionist, can only agree from the evidence which we have received in our defence committee, that in this respect the government made the right decision. They made it with understanding of the need for maintaining our shipyard industry. It was for this reason they immediately introduced a $110 million program for ship construction for peaceful purposes. I hope the government will also give consideration to our proposal for maintaining our shipyards on a full time basis by rectifying a mistake they made in the past and starting a Canadian merchant marine for use in peacetime and, if it is required, God help us, in time of war.

Our experience on this defence committee has been to some extent most frustrating, but also most interesting. We have heard from such men as Major General Simonds, General Foulkes, the former chief of staff or chairman of the joint chiefs of staff. These men have given us an indication, from their experience and their knowledge, of the part they think Canada could, should or might play with a comprehensive, understandable and reasonable defence policy. They have pointed out in the clearest possible terms that Canada has no part to play as a nuclear power. Both of these men have pointed out emphatically that Canada has nothing to gain, nothing to offer either tactically or strategically, with nuclear weapons. These two men, with their most remarkable experience, say that Canada has an entirely different role to play. Both Major General Simonds and General Foulkes, if you will read the evidence they gave before the committee, say that Canada has spent millions

of dollars uselessly on defence which is no defence; that over the years we have lost any idea of defence policy because of the personalities, suspicions, ambitions and jealousies between the three services.

As a result of their experience, both of these gentlemen say that we need a unified command. Will you note this, though, Mr. Speaker? Both of them say you are never going to get a defence policy in Canada that means anything, you are never going to get efficiency in the service, you are never going to get value for your expense dollar until the government has the courage to lay down defence policy and make the brass adhere to it, or get out. Yes, Mr. Speaker, we have been frustrated in this committee. Yes, we have been heartbroken in this committee. As committee members, we get most of our information from things that have been leaked to the press or from statements the minister makes to the house, without ever having had the courtesy to meet the defence committee and talk them over.

However, Mr. Speaker, despite the frustration and the set-backs, I still think that the evidence we have received thus far, and what we hope to receive in the future of a constructive nature, will make this defence committee pay off, if we are allowed to recommend an over-all policy for the future. I believe, sir, it could be done. I hope, Mr. Speaker, that all members of this house will read the evidence presented to this committee. There are only 24 members of the committee. Perhaps all hon. members can help Canada arrive at a defence policy that, for the first time, means defence; a defence policy that represents a dollar's value for a dollar spent. Perhaps those who become emotional or hysterical about some of these matters should know the words of Major General Simonds, the words of General Foulkes concerning the role they believe, as a result of their experience, Canada should play in the maintenance of peace.

I may say that I do not believe I have missed one meeting of this committee. I feel very proud, and do you know why? Those who are professional soldiers have given evidence indicating that we in this group, who are not professional soldiers, were right and have always been right in our policies for Canada in connection with defence. We have recommended a unified force in being and on call for the United Nations. This should be a highly mobile force. I regret that the mover of this motion had to resort to an attitude of partisan opposition and obstructionism as a basis for his motion instead of considering the best defence policy for Canada. I believe our committee still has a job to do and, given an opportunity, we will do it.



[*Translation*]

**Mr. Marcel Lessard (Lake St. John):** Mr. Speaker, in taking part in this debate, I should like to begin my remarks by reminding the hon. members of this house that the committee was set up to examine and deal with the defence of Canada, something which our movement had been advocating for two years.

In my opinion, Mr. Speaker, the work the committee has done so far and the evidence given are enough to prove that we were right in making our proposal. I am convinced that when the committee submits its reports, which we hope will be before Christmas, it will then bring before the house, the government and the Canadian people the essence of what must be the future defence policy of our country.

I listened with attention to the hon. member for Winnipeg South Centre (Mr. Churchill) violently attacking the government's present defence policy and especially its recent abandonment of the previous government's project of building frigates to strengthen the Canadian navy.

I wonder if the hon. member for Winnipeg South Centre has seen in that step taken by the government some sort of revenge for the abandonment by the Conservatives of the Arrow project in 1957-58. The only difference in those two cases is that vast sums of money were already invested in the Arrow project while we are told that $500,000 have been spent for the frigates.

In the light of all the evidence presented since the beginning of the committee sittings, it is obvious, I think, that the frigate construction program was absolutely useless, because they would be of no use for the purpose for which they were intended.

I am glad that the government decided not to provide more public funds for a project which is definitely doomed to fail.

On the other hand, if the government was ready to spend the sum of approximately $500 million on that single frigate item the cancelling of which our group fully supports —we should like to see that amount spent in another sector, more economically sound for Canada, and in my opinion, in the maritime field, there is only one profitable sector for the Canadian economy, and it is the setting up of a merchant navy so that we might ship our products to the markets abroad without using the ships of other countries, as we are doing at the present time to move the wheat we have sold.

I believe, Mr. Speaker, that in this attack of the official opposition against this government's policy, there are certain points

which may be well-founded, in that the minister makes decisions without letting us know about them.

I admit that the minister has to make decisions. He certainly cannot wait until the committee has submitted its report to decide on the day to day administration of his department. But the members of the committee would like to be told of those decisions so that they may discuss them at their meetings.

Mr. Speaker, I notice that the proposed amendment is related, among other things, to the conversion, let us say, of the Penhold base, and I feel that is precisely a matter that should be the subject of a special study by the members of the committee on national defence.

Mr. Speaker, I wish to draw the attention of the house to the fact that since the committee began to meet, the members' attendance record has been remarkable, as well as their interest in the proceedings. I think that all those who attended the meetings have noted that.

In my own opinion, the information which has been conveyed to us has proved most useful. Officials of the various branches of the Department of National Defence stated their problems and made their requests. Were we to grant all the requests made by the representatives of the three branches of the services, the whole budget would be used up.

Mr. Speaker, I can assure hon. members that although they are aware of the requirements of the armed forces of the country, the members of the committee know equally well that they simply cannot appropriate the whole national revenue for a defence system against a hypothetical enemy.

On the other hand, we have had the opportunity to hear counterclaims, when retired generals, now released from their oath of office and secrecy, appeared before the committee to state their views and analyse past and present Canadian defence policy and, what is even more important, in my opinion, our policy for the next ten years.

Mr. Speaker, I believe that as responsible and conscientious citizens, we should attach much more importance to future rather than past national defence policy. And even if I am prepared to blame in part the present government, a share of the responsibility should be attributed to the previous government.

I am convinced, Mr. Speaker, that the report submitted by the committee on national defence will reflect the policy that the present government intends to follow in the future for the defence of the country. If the policy suggested in this report were not to be followed by the government, or by any succeeding one, then the government in power would be the only one responsible and would have to submit to the people's judgment. As a matter of fact, I am firmly convinced that the press in general and the Canadian people will support the committee report.

Mr. Speaker, I wish to point out that the members of the committee showed a great deal of objectivity, especially in the last meetings.

At the beginning, we feared that there would be constant conflict between the various members but, fortunately, that was only a question of adaptation and we can now inform the house that the sittings of the committee have become truly interesting in view of the sincere questions which are asked—at least, I hope they are sincere—and the impartial and complete replies which are given by the witnesses.

Mr. Speaker, it is obvious that the members of the present cabinet cannot state fully the the policy which will be followed in the future since, in most cases, it has not even been decided upon. That is exactly what we want, because we firmly believe that in addition to the white paper to which the Minister of National Defence refers in particular, the government will have the opportunity to give serious thought to the report which will be submitted and which may well have some bearing on the decisions which will be communicated to the house.

Mr. Speaker, a non-confidence motion has been moved against the government concerning its national defence policy. When you consider the proposal made by the member for Winnipeg South Centre (Mr. Churchill), you wonder whom he is criticizing. Is he blaming his party for having introduced the frigate construction program or is he criticizing the present government for abandoning the program? I feel that the situation is rather confused. In view of the incomplete and inconclusive evidence we have at the present time, the least we can say is that the hon. member for Winnipeg South Centre has made a hasty decision anticipating the report which will be submitted by the committee.

Mr. Speaker, we are convinced that the defence of Canada is a most important factor; however, the testimony heard so far has established practically beyond doubt that it is extremely difficult, not to say impossible, to plan any defence system of our shores in case of a nuclear war with guided missiles.

In view of this evidence, we wonder what role Canada could actually assume. I believe it is General Foulkes who told us that he was opposed to a nuclear defence role for Canada, because he felt that it would be absolutely impossible and futile. He thinks that if Canada decided to play a nuclear role, it should be offensive rather than defensive.

Mr. Speaker, that is an idea I had already expressed myself, because I feel that if Canada is unable to counter-attack and must be restricted to a purely defensive action, then we have to admit some weakness on our part. And as we are economically unable to launch an attack and it is useless to think that we could withstand one, I think that we should advocate, for Canada, an army that would hinge on certain bases, that is an extremely mobile army that would enforce law and order in this country and that would also be available to assist United Nations forces.

I think that the United Nations is perhaps the place where Canada can play her greatest part, and that part will be even greater if it is really devoted to peacemaking.

Mr. Speaker, I feel that the importance of military matters will decrease in years to come and that the present conflict is to be waged on the economic plane rather than on the battlefield that is precisely the competition of an economic nature which was launched 30 years ago by the communist block and which we are in the process of losing.

I believe that the future will prove it is only in that field we can really effectively fight, for if we have to provide a defence against an attack, would it not be more sensible to eliminate the causes which could justify this prospective attack?

If we refer to the origin of all the wars in history, we realize they always resulted from an economic weakness and also from somebody's wish to subjugate another nation.

I believe that in the present context of war, the will to subjugate another nation has lost some of its attractions. Today, it is especially the question of a higher standard of living which we consider. It is especially on that ground that we should consider our future policy.

In my opinion, when the committee publishes its report, such report shall obtain the support of the whole population, since I am more and more convinced that unanimity is making progress among the members of the house on the part Canada should play, that is the part of a peacemaker devoted to maintaining peace through the United Nations.

Mr. Speaker, other members of the house will probably follow me in this debate. I know that the future has certainly surprises in store for us. I know also that it is difficult to foresee in which way military weapons will develop in future. It is as if the government was placing money in quicksand for what it decides to do today, in the light of the available knowledge, may soon become entirely useless. In fact, this item concerning frigates substantiates that fact.

It may well be that the government, which had decided to put forward that frigate program, had first hand information. But unfortunately, I find that the military men who are supposed to have been the government's advisers in the matter are the same who are telling us today that the program is useless and will not serve the intended purpose.

Therefore, I believe we ought to wait for the committee's report so that the government can find out exactly what is the general opinion of the committee, which is made up of members from all parties. As a matter of fact, I even think that the tabling of that document in the house will give everybody an opportunity to take part in a debate which could, in my view, be of benefit to all.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I shall take the opportunity which this debate affords me to make a few comments on the non-confidence motion or, if you prefer, the amendment put forward by our Conservative friends. In proposing the amendment, the hon. member said:

[*Text*]

That all the words after "that" be deleted and the following substituted therefor:

"This house regrets the widespread confusion, unrest and damage caused by the government's piecemeal pronouncements concerning abandonment of defence projects such as, in particular,

1) the cancellation of the general purpose frigate program,

2) the cancellation of the conversion of R.C.A.F. station Penhold for jet training, and

3) the contemplated abandonment of other defence establishments, and deplores that such steps have been and are being taken without seeking the views of or awaiting recommendations from the special committee on defence."

[*Translation*]

Mr. Speaker, last year, just about the same non-confidence motion could have been put, although against the Conservative government of the day.

As far as defence is concerned, if the government cancels the frigate program or intends to cut down expenditures in the various services of the national defence department, I think it is due to certain suggestions made more than a year ago while the Conservatives were in power when we were made aware, for instance, of the Glassco report which clearly pointed out that tremendous and fantastic amounts of money were ill spent for armaments or defence projects which would never be used.

Today, the Conservatives are censuring the policies which they advocated themselves last year, two years ago and even five years ago.

Mr. Speaker, at the same time those reductions are announced, we are told about the setting up of new nuclear bases in various sections of our country and more particularly, as far as we are concerned, in the province of

Quebec. For instance, there is one nuclear base at Bagotville, another one at Val d'Or, one at North Bay and another one in Labrador.

We do not know exactly what the government means or intends to do when it says that those nuclear bases will cost Canada absolutely nothing but that the Americans will pay for all organization and even operation costs.

As for us, we have taken, in this house as well as outside, a stand against nuclear arms, neither through sentimentalism or parochialism, nor for regional or local reasons only, but rather because we feel that Canada must lead the way to peace instead of putting up with methods that will not fail to bring us inevitably to nuclear war.

Mr. Speaker, when we agree to have nuclear bases in Canada, supposedly because it is one of the steps in the defence program—we will not have offensive weapons, just defensive weapons—is it not true that by creating the defensive nuclear bases announced—

**Mr. Deputy Speaker:** Order. I waited until now to interrupt the hon. member, hoping that he might soon revert to the subject of the amendment moved by the hon. member for Winnipeg South Centre (Mr. Churchill), which is very limited in scope and does not allow for a general debate.

I take the liberty of reminding the hon. member that the house already came to a decision as to the general problem of nuclear arms when a vote was taken on the occasion of the debate on the speech from the throne.

For those reasons, I would suggest to the hon. member for Villeneuve that he try to limit his remarks to the amendment proposed by the hon. member and which is already before us.

**Mr. Caouette:** Thank you, Mr. Speaker. On the other hand, with all due respect, I wonder, while the amendment states here, at the end—

[*Text*]

—and deplores that such steps have been and are being taken without seeking the views of or awaiting recommendations from the special committee on defence.

[*Translation*]

Is not the question of nuclear weapons precisely a question of defence dealt with by the defence committee?

**Mr. Deputy Speaker:** It may be noted that I cannot start a debate with the hon. member. Even though the remark he just made is correct, we must stick to the various basic points of the amendment submitted by the hon. member for Winnipeg South Centre (Mr. Churchill).



There are three points mentioned in the amendment and there is no reference to nuclear weapons.

**Mr. Caouette:** Mr. Speaker, I shall then stick to these three points. But I still maintain that these three points will unavoidably be replaced by nuclear weapons, in Canada.

At any rate, I will limit myself to the three points mentioned in that amendment, and first the discontinuance of the frigate program, a defence program, when the government has announced, for instance, expenditures of the order of 400 and some odd million dollars. And the other day, the minister said that these outlays were restricted to about 100 million dollars.

We are wondering what is the positive program of the government. And if they do not need those amounts for defence, will they apply those appropriations to help this country get for example a merchant marine, which is not that flourishing at the present time? The shipping of Canadian products abroad could be done with Canadian ships instead of using or allowing foreign ships for that purpose as is now the case. These amounts taken out of arms or war ship production should be affected to the Transport Department or other departments, and not necessarily to the National Defence Department, but to others in order to strengthen the Canadian economy.

In regard to the cancellation of the conversion of the R.C.A.F. station Penhold for jet training, the same thing could apply here, and these sums could be used to set up some peace industries, to create a climate of peace, of confidence and not of distrust as it is the case today.

The third point deals with the abandonment of other defence establishments. Mr. Speaker, we suggest that the government should assume its responsibilities in view of the situation very chaotic indeed, which prevails in Canada.

We might use those sums of money for practical construction programs. We realize that all countries of the world, after having improved their economic conditions following the war or the declaration of war in 1939, improved their economy, not only as far as frigate construction was concerned, but also in production improvement. So when we compare the 1939 production in the United States with the 1943 production in that same country, that is a period of four years, taking for granted that production was 100 per cent in 1939, we realize, according to official statistics, that in four years, the production of electrical steel in the United States increased by 383 per cent, railway cars, 391 per cent—for electric equipment, the increase

was 521 per cent in 1943 as compared to the 1939 production. Aluminum increased by 588 per cent; for machines and equipment, production increased by 630 per cent. For engines, the 1943 production increased to 853 per cent as compared to 1939. The production of airplanes increased from 1939 to 1943 in the United States—we could say the same thing in Canada—by about 1632 per cent, while the production of merchant ships increased by 6918 per cent, and for magnesium, the increase in production was 7100 per cent, as compared to the 1939 production.

That indicates that when there is a war emergency, a national defence emergency, governments, whatever they are, Liberal or Conservative, or Democrat or Republican in the United States, found the required means, funds and credits to make possible those improvements and increases in production amounting to about 500 or 600 per cent in a period as short as four years.

But the war ended in 1945, almost 20 years ago. Since then, the Conservatives and the Liberals have headed the government one after the other, but nothing has changed. We are still looking for a solution to the problem of unemployment in Canada and for means to establish new secondary industries. The situation remains unchanged: we do not have the necessary capital, we do not know where to get the required funds to develop our natural resources in order to help—

[*Text*]

**Mr. Nugent:** On a point of order, I think the hon. member who has the floor was certainly closer to being in order when he was talking about nuclear arms. Certainly he was a lot more interesting when he was speaking on that subject than he is on this.

[*Translation*]

**Mr. Deputy Speaker:** I have already reminded the hon. member that his remarks did not pertain to the matter being discussed and that he should stick to the amendment before the house.

I take the liberty of reminding him of that once again.

**Mr. Caouette:** Mr. Speaker, the amendment seems to provide that the government should continue spending those sums for national defence, on the recommendations of the special committee on defence.

And now the government decides to curtail those expenses, to reduce the national defence forces and replace those forces by something more constructive.

The hon. member who just finished his remarks, will certainly understand the attitude according to which the government should not stop spending, but direct its spending to other areas of economic activity, because defence is certainly one of them.

Mr. Speaker, at any event, the amendment submitted to us this afternoon does not mean so much.

The government must be blamed for it. But, when the Conservatives were in power they behaved almost in the same way. Today they are trying to blame the government for things the former government did not do or neglected to do.

Mr. Speaker, I should like now to move an amendment to the amendment. Therefore, I move, seconded by Mr. Gilles Gregoire:

That all words after "government" be deleted and the following substituted therefor:

subserviently agreeing to the storing of nuclear arms on the territory of the state of Quebec, notwithstanding the strong protests voiced by the civic and municipal authorities of Quebec, the national societies and the welfare clubs, the labour and agricultural unions as well as by the Quebec members of parliament belonging to all political parties.

**Mr. Deputy Speaker:** I might give my ruling now on whether the subamendment introduced by the hon. member for Villeneuve is in order or not.

As the hon. member and the house know, the debate now in progress originates in an old parliamentary practice, that is a proposal subject to amendments that the house resolve itself in a committee of supply. In this case, it is a grievance and an amendment. But the amendment introduced by the hon. member for Winnipeg South Centre (Mr. Churchill) is to the effect that some national defence programs established previously had been cancelled by the government. This is the essence of the amendment.

In my opinion, the subamendment of the hon. member is completely outside the scope of the amendment introduced by the hon. member for Winnipeg South Centre and contains something new. Consequently, the hon. member's subamendment is inadmissible and I must rule that it is out of order.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a point of order. I should like to explain myself.

First of all, the amendment—

**Mr. Deputy Speaker:** Order. I do not think the hon. member is entitled to give explanations on the validity or the admissibility of the amendment which the Chair has ruled out of order. The only thing he can do now, is to appeal from the ruling. It is certainly not proper for him to launch a debate on a subamendment which has been ruled out of order.

*Abandonment of Defence Projects*

**Mr. Gregoire:** Mr. Speaker, I shall not comment on the subamendment but on the amendment which was moved a short while ago by the hon. member for Winnipeg South Centre.

**Mr. Deputy Speaker:** Order. The hon. member will have an opportunity to take part in the debate on the amendment moved by the hon. member for Winnipeg South Centre when he is recognized, in a few minutes, I believe.

**Mr. Gregoire:** Mr. Speaker, I appeal from your ruling. In my opinion, you misconstrued the Conservative amendment itself a while ago by wanting to limit it to the three points mentioned whereas, in the amendment they are used as an example, as indicated by the words "such as". Therefore, if that is a limitation, I appeal from your ruling.

[*Text*]

**Mr. Deputy Speaker:** The house has heard the decision of the Chair from which the hon. member for Lapointe has appealed to the house. All those in favour of sustaining the decision of the Chair will please say yea.

**Som hon. Members:** Yea.

**Mr. Deputy Speaker:** Those opposed 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, which is as follows:

To the motion that Mr. Speaker do leave the chair for the house to go into committee of supply the hon. member for Winnipeg South Centre proposed an amendment as follows:

That all the words after "that" be deleted and the following substituted therefor:

"This house regrets the widespread confusion, unrest and damage caused by the government's piecemeal pronouncements concerning abandonment of defence projects such as, in particular,

1) the cancellation of the general purpose frigate program,

2) the cancellation of the conversion of R.C.A.F. station Penhold for jet training, and

3) the contemplated abandonment of other defence establishments, and deplores that such steps have been and are being taken without seeking the views of or awaiting recommendations from the special committee on defence.

To this amendment the hon. member for Villeneuve proposed an amendment:

Mr. Caouette, seconded by Mr. Gilles Gregoire, moved that all the words after "government" be deleted and the following substituted therefor:

"subserviently agreeing to the storing of nuclear arms on the territory of the state of Quebec, notwithstanding the strong protests voiced by the civic and municipal authorities of Quebec, the national societies and the welfare clubs, the labour and agricultural unions, as well as by the Quebec members of parliament belonging to all political parties."

The Chair decided that the subamendment was in effect a new question, a new grievance, and also that it was out of order as not being relevant to the grievance raised by the hon. member for Winnipeg South Centre. Thereupon the hon. member for Villeneuve 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 not sustained on the following division:

YEAS

Messrs:

Armstrong
Asselin (Richmond-Wolfe)
Badanai
Batten
Beer
Benidickson
Benson
Berger
Byrne
Cardin
Caron
Carter
Cashin
Chevrier
Choquette
Côté (Chicoutimi)
Côté (Longueuil)
Cyr
Deachman
Denis
Deschatelets
Drury
Dupuis
Emard
Ethier
Eudes
Favreau
Forgie
Garland
Gelber
Girouard
Gordon
Granger
Greene
Guay
Hahn
Haidasz
Harkness
Harley
Hellyer
Honey
Jewett, Miss
Laing
Lamontagne
Laniel
Laverdiere
Leduc
Lessard (Lake St. John)
Macdonald
MacEachen
McIlraith
McMillan
McWilliam
Martin (Essex East)
Matheson
Matte
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Patterson
Pearson
Pennell
Pickersgill
Pilon
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sharp
Tardif
Temple
Thompson
Tremblay
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—83.

NAYS

Messrs:

Aiken
Alkenbrack
Baldwin
Bell
Bigg
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Casselman, Mrs.
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker

| | |
|---|---|
| Dionne | Millar |
| Doucett | Monteith |
| Douglas | Moore |
| Fane | More |
| Fisher | Muir (Cape Breton |
| Fleming | North and Victoria) |
| (Okanagan-Revelstoke) | Muir (Lisgar) |
| Gauthier | Nasserden |
| Grafftey | Nesbitt |
| Gregoire | Nielsen |
| Gundlock | Noble |
| Hales | Nowlan |
| Hamilton | Nugent |
| Herridge | Orlikow |
| Howard | Pascoe |
| Howe (Wellington- | Perron |
| Huron) | Peters |
| Irvine | Pigeon |
| Jorgenson | Plourde |
| Kennedy | Prittie |
| Kindt | Pugh |
| Knowles | Rapp |
| Korchinski | Rheaume |
| Lamb | Ricard |
| Lambert | Rondeau |
| Langlois | Scott |
| Laprise | Simpson |
| Loney | Southam |
| MacEwan | Stenson |
| MacLean (Queens) | Thomas |
| Macquarrie | Webb |
| MacRae | Weichel |
| McIntosh | Willoughby |
| Madill | Winch |
| Mandziuk | Winkler—85. |
| Martineau | |

**Mr. Deputy Speaker:** I declare the ruling negatived.

[*Translation*]

**Mr. G. C. Lachance (Lafontaine):** Mr. Speaker, I was paired. Had I voted, I would have voted to uphold your decision.

[*Text*]

**Mr. Brown:** Mr. Speaker, I was paired. Had I voted I would have voted to sustain your ruling.

**Mr. Mitchell:** Mr. Speaker, I was paired. Had I voted I would have voted to uphold your ruling.

**Mr. Cardiff:** Mr. Speaker, I was paired. Had I voted I would have voted for the amendment.

[*Translation*]

**Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere):** Mr. Speaker, I was paired. Had I voted, I would have voted against your decision.

[*Text*]

**Mr. Lloyd:** Mr. Speaker, I was paired. Had I voted I would have voted to uphold your ruling.

[*Translation*]

**Mr. Deputy Speaker:** Order. The debate bears on the subamendment.

The hon. member for Villeneuve—

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, may I call it six o'clock?

**Mr. Deputy Speaker:** Order. The hon. member proposed the subamendment, and I must now recognize another hon. member, because he took part in the debate.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I point out it is six o'clock?

[*Text*]

**Mr. Deputy Speaker:** The hon. member for Edmonton-Strathcona.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, the subject of defence is a very complicated one and the prime mistake I shall likely make tonight perhaps is to reduce it to too simple terms. I do not pretend to be an expert on the subject, and I think that should be most encouraging to the house, because we have had nothing but confusion from all the experts. I have, however, paid more than a passing interest, as I am sure have most Canadians, to this subject which is of such vital importance to us.

We sometimes lose track of the object of defence, which I think is simply to protect the security and integrity of our country and our way of life, and to maintain our freedom and independence from all other nations. In this respect, Mr. Speaker, when we consider defence policy I would think that no matter what subject or what items under the heading of defence we are considering, we have to measure them by asking whether they add to Canada's defensive armament. Do they give us an extra weapon, or a choice of or share in extra weapons, which will make our country more secure?

In this respect I do not think we can overemphasize the changed position in the world today as compared with the last world conflict in which Canada became engaged. Today it is not a question of whether we have enough fire power to protect ourselves, because having enough fire power is impossible; it is indeed impossible for any nation. There is, Mr. Speaker, too much fire power on our side, and also too much on the other side. The whole world can be wiped out many times over, so obviously any defence policy whereby

we merely try to add a pittance to the total fire power of the western side does not make sense.

Perhaps, then, we should see whether our efforts are going to help to add to the control of that fire power. Do we have a voice which will enable the fire power which exists on the western side to be more effective in our defence? Again, no one on the government side, in fact no one in this house, has ever attempted to suggest that we can pretend, through any alliance we make or any action we take in this house, to gain for ourselves a voice which will be effective enough to increase our defence by giving us a control over the total weapons of the western world. If we are to look at the matter realistically, if we cannot contribute to total defence because there is already too much, and if we cannot share in world control of these nuclear weapons which are already so complete in themselves, then obviously if we are to make any contribution to our friends, our allies and the world at large we must make it in a role where Canada can play an honourable and responsible part, maintaining our voice in its proper perspective, protecting as best we can our right to be heard in world councils, and our right not to be dictated to by anyone, whether they be friend or anybody else.

I will not attempt, Mr. Speaker, to deal tonight with the methods by which we might attain some of these objectives under NATO or United Nations auspices. In the field of defence only, I would suggest that concern with weapons, if we are to have our own voice and control of them, must be confined to those weapons which we can handle, use, hold and control by ourselves. Whether the make-up of our own particular forces differs from that of our allies does not matter. Whether we are merely one unit of ten identical units on the western side should not matter too much. But if we have our own distinctive unit made up of our own contribution, in co-operation proportionately with our allies, it seems to me that this is the most we can hope to contribute to our defence and the defence of the western world.

Therefore I suggest that any proposal that we take nuclear weapons can only complicate the question of control. It can only complicate our relations with our allies and friends, and unless handled with tremendous skill lead to suspicion that we are asking too big a voice, and therefore alienating our friends, or that we are asking too little a voice, and therefore losing our self-respect. Certainly to demand less than our fair share of the voice of the western world is to surrender some of our sovereignty. I note, as I am sure all hon. members noted, the remarks and reassurances of the Prime Minister (Mr. Pearson) that the arrangements made for acquiring nuclear weapons on Canadian soil have not involved loss of sovereignty. This is very encouraging Mr. Speaker if we can place any reliance on it. However, a little review of this question of nuclear weapons and the difficulties posed by control does little to reassure us on this score.

The Prime Minister has referred in this house to the long arguments and the frustrating attempts to reach agreement in this regard. To put it very simply, that degree of control of nuclear weapons which is consistent with our sovereignty has always been taken as a further expansion of the nuclear club which would unsettle world conditions and really not increase our defence. Any control less than that, any nuclear weapons on our soil over which we did not have full voice, must of necessity involve a loss of sovereignty.

I suggest, Mr. Speaker, that we be reminded that one of the purposes of our defence policy is to protect our sovereignty. For at least four years the previous government wrestled with this problem, but were unable to solve it because it was not capable of solution without loss of sovereignty. I am suggesting that despite the assurances of the Prime Minister, and despite anything that can be said along that line, we cannot accede to the proposition that Canada, in accepting nuclear weapons, has not given up its sovereignty. Common sense rejects it. The experience of the number of years we have spent in trying to arrive at a solution but could not find one is further evidence. France pulled out of her close alliance with the United States on this same subject. I should like to refer to the answer given by the Prime Minister (Mr. Pearson) in this house.

It will help us to understand where we are with regard to this nuclear question. I asked the right hon. gentleman whether he was ashamed of acquiring nuclear weapons. His answer was that it was a mistaken policy —that we were in error when we entered upon any agreement to take them. But, he said, having entered upon an agreement it was necessary to take these weapons. In a further question I reminded him that a further agreement was necessary before these weapons were made available; would this not give us a way out? The Prime Minister replied that this was perfectly true, that it had taken the previous government four years to make up its mind whether or not to accept that agreement and that, meanwhile, we had spent a billion dollars on this equipment. That exchange is to be found on page 791 of *Hansard* for June 7.

Here the Prime Minister himself confesses that Canada's policy with regard to the acquisition of nuclear weapons is wrong. He agreed also that there is an opportunity to get out of this situation, because another agreement is necessary. He further indicates that the only reason for adhering to the policy is because, he says, we had spent a billion dollars on equipment. That is the only reason why we are carrying on with the policy. I am sure it must be an encouraging situation for the citizens of this country to contemplate—that we are carrying on a policy which was wrong when it was made four years ago, despite the fact that there is a way out, particularly when a billion dollars is at stake. I may say immediately that this figure is a gross exaggeration. It is a lot of nonsense. Nevertheless, that is the justification given for our policy. We do not have a definite policy on defence: We have an excuse, the excuse that a billion dollars has been paid for certain equipment.

It might appear that I am being somewhat harsh in my criticism of the government. Perhaps certain hon. gentlemen opposite take umbrage at the suggestion that they are supporting a government that does not even pretend to give this country a defence policy. Let us look at the record of the present Minister of National Defence (Mr. Hellyer) to see where he stands. I recall saying in this house that in the committee on defence we would not get any information. I wish now to correct that statement. The committee certainly does not get any information about the defence situation today, but there have been some interesting revelations about what went on in 1956. I am sure those of us who have been here for some time will remember the great indignation of the hon. member for Trinity (Mr. Hellyer) every time the Arrow was mentioned. They will remember how he went up into the air as he spoke of the terrible Conservatives dropping that wonderful weapon, the Arrow. And all the time, if he were capable of blushing, he must have been hanging his head in shame every night as he remembered he was the associate minister of defence in a government decision that already made the defence decision to drop the Arrow. They had not made the political decision, but the decision based on defence requirements had been made while he was a member of that government. However, he and his colleagues were facing an election. This is what we know now of the government to which the hon. member belonged. It is not whether Canada gets sound defence that matters; it is the kind of image they can sell to the public, whether justified or not, which matters. The politics of defence in 1956 were much more important than the defence of Canada.

In 1963, the acquisition of nuclear arms is in no way involved in the defence of Canada. I am sure we can all see it does nothing in this regard. Moreover, the method by which this government tries to sell nuclear arms on the basis of a commitment is enough to make even the most naïve person look at it again and again. Politics, not defence, is what the people of Canada get from this government.

There has been much confusion over what were commitments. For some of this confusion, we were, in part, to blame. We said there were no commitments, while on the other side they said there were, indeed, commitments. Perhaps what we should have said, was: define "commitments". We can all understand what is meant by an agreement to make an agreement. I can agree to buy a house. I can say I will definitely buy a house if we can agree on a price. To this extent, I have a commitment to buy a house. Canada had an agreement to accept nuclear arms if we could agree on a system of control which would not mean giving up our sovereignty. We tried for four years to reach such an agreement, but we failed. Finally, we said it could not be done this way—we must seek another road. Today, according to the Prime Minister, we are following a defence policy to which the previous government committed us in 1959, and we are following that policy, despite the fact that the previous government reached a decision that conditions had changed and that the problem could not be solved until we took a new look at defence problems. The previous government said that in the NATO conference they would reconsider our policies and help work out a new and sensible arrangement in which Canada could play its part. For this, we were condemned.

We could be charitable toward this government if they were to make even a pretence that nuclear arms would benefit the defence of Canada. But not even the Minister of National Defence has had the temerity or the effrontery to suggest this to us. The only excuse we have for the present ridiculous policy or lack of policy is the Prime Minister's statement that there are a billion dollars at stake. Let us consider this statement more closely. How much is involved in the two Bomarc installations? I suggest it is about $15 million. After hearing the Liberal propaganda some people might believe there was a billion dollars right there tied up in the Bomarcs. In fact, it is less than 1 per cent of our present defence budget for one year, and I am sure no member of this house will say that putting aside this $15 million amounts to wasteful extravagance. If we cannot find

more than 1 per cent of the budget spent inefficiently in the department itself, then the Glassco report must be wrong.

Only in connection with the Honest John can we make out a case for nuclear warheads. As to the fighter planes, money spent on them is certainly not wasted. If the Prime Minister wants the country to believe he is honest, he had better explain how he arrives at this figure of a billion dollars difference between nuclear and non-nuclear defences. I suggest he can point to nothing which represents a sum anything like a billion dollars. The amendment moved by the hon. member for Winnipeg South Centre (Mr. Churchill) talks about confusion and unrest in the country. When we consider how ridiculous and inadequate is Liberal policy on defence matters it is easy to see why there should be a great deal of confusion and unrest in the country, and I trust all hon. members will be honest enough to support the amendment.

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, first of all, may I say I cannot understand the charge which has been levelled by the hon. member for Winnipeg South Centre, that the special committee on defence is being prevented from doing its work. The Department of National Defence has co-operated in every way to the maximum extent. A precedent has been set by allowing serving officers to appear before the committee. This has not been done before in Canadian history. Similarly there has been no attempt to limit the witnesses who might be called before the committee, and a wide range of witnesses with a wide range of opinions have been called and others will be. I think this is a good idea. There has been no attempt to divert the committee from its task of calling witnesses and getting opinions in respect of all defence matters, including policy and what the future policy should be.

In addition, Mr. Speaker, as minister I gave the committee an opening statement. I have been in attendance six or seven times along with the chiefs of staff, and I have consistently offered to appear before the committee whenever requested to do so. If I have not given more witness than I have, it has been the committee's decision and not mine. Let there be no mistake about that.

The hon. member for Winnipeg South Centre (Mr. Churchill) said that I was making decisions without having the courtesy to discuss them with the committee. Well, Mr. Speaker, I am one of those people who believes that the courtesy should be extended for me to go there and discuss them, if that is the wish of the committee, and without complaining afterwards that I have not when the opportunity was not made available. There was a basic contradiction in the contribution of the hon. member for Winnipeg South Centre this afternoon. He talked about the strictures on the committee preventing a discussion of policy, if I understood him correctly. Did I understand the hon. gentleman correctly?

**Mr. Churchill:** I did not put it that way at all. I dwelt on the failure of the minister to present his policies to the committee for consideration and advice before he made his decisions.

**Mr. Hellyer:** I understood the hon. gentleman to say, and I shall have to check the record again, that the committee was limited in its discussion, and particularly in the discussion of policy. But then he proceeded to introduce an amendment which was related entirely to hardware and housekeeping, and I found this fact not in accord with the speech he had previously made.

Surely hardware and housekeeping are not the main concern of the committee. They should, of course, use this opportunity which is available to them to acquaint themselves with the hardware and use the opportunity to study the weapons systems that are in modern use; but surely their main interest is in defence policy in the broader sense. Perhaps they have been directing their questions in the wrong way. What are the strategic considerations of future policy? I would have thought the committee would have spent a great deal of their time in trying to determine what western strategy was at the present time, what it would be in the future and whether or not it was realistic in the world in which we live—

**An hon. Member:** Or is there any.

**Mr. Hellyer:** Or is there any—and once having determined the answer to those fundamental questions and having satisfied themselves in respect of them, to evolve a policy for the Canadian contribution which would be compatible with the over-all strategy. Once that is done, once the fundamentals have been considered and decided on, then the tasks to be assigned to our armed forces and the hardware necessary to carry out those tasks follow logically from the more basic considerations.

These are the large issues to which the committee could in fact turn its attention, and I think they would be doing the house and the country a great service if they would expend their major effort in determining the strategic considerations of future policy both for the alliance as a whole and for Canada as a member of that alliance.

In the meantime progress cannot stand still. Action must be taken in respect of some

matters. This should not surprise hon. members of the committee, because it was all forecast and carefully set out in my opening statement to the committee on June 27 last. On page 25 of that statement I referred to Canadian defence policy and I said this:

> Our contributions at this time are those which have been agreed to in the past. They are as I have set them out for you. It is the policy of the government to make effective those weapons systems which have been acquired as part of the Canadian contribution, including making immediately available nuclear devices required to make our contribution credible. Furthermore, it is the policy of the government to undertake a thorough review of our defence policy and commitments in order to determine the best and most effective contribution we can make to the collective defence of the free world and to the maintenance of peace in the years ahead.

I then went on to say:

> In order to facilitate the review, certain action has been taken. All major procurement programs are being reconsidered. In particular, any procurement program which would tend to limit future policy or interfere with the exercise of future options is being carefully reviewed.

That statement is very clear. Even more precise is the next paragraph:

> One of these programs is the general purpose frigate program. It is a project involving the expenditure of large sums of money. For this reason all present and likely future options have to be carefully considered before proceeding.

Surely that was a clear indication to the committee that a review of this program would take place and that a decision would be made without too much delay. Later in respect of the air division and our commitment in Europe I had this to say:

> We are considerably concerned about the effectiveness of the four squadrons to be located on the two French bases at Marville and Grostenquin. As members of the committee know, the French government has so far not permitted the stockpiling of nuclear weapons for NATO on its territory. In consequence, the weapons for the four squadrons would not be readily at hand, and those aircraft to be maintained on quick reaction alert would have to be deployed to other bases. This raises the further question of vulnerability. In view of these problems, it is considered desirable to review at once the alternatives which may be available now or in the future.

Is it surprising to hon. gentlemen that we are in fact reviewing them as we said we would? Is it surprising that we are doing precisely what was indicated to the committee would have to be done? Further on, Mr. Speaker, I said this:

> As soon as a review of existing procurement programs is complete and decisions taken, which I hope will be within a few weeks, the general review of future policy will commence.

As a matter of fact, it has taken more time to reach some of these decisions than I had hoped, but as hon. gentlemen on the other side know as well as we know sometimes in government it takes a few days to do what one might under other circumstances do a little more quickly.

**An hon. Member:** We are all in a daze.

**Mr. Churchill:** You are learning.

**Mr. Hellyer:** Surely the indication is very clear. It was indicated to the committee that within a few weeks decisions would be taken on a number of important matters which were hanging fire from the previous government, including major procurement programs and including the follow-up purchase of CF-104 aircraft and the general purpose frigate program. They should not, therefore, be surprised when we do as we said we would do and make the decisions we said we would make. In our general review we have to consider the relationship between our forces and our allies.

**Mr. Clancy:** Did you know in February that the French would not allow nuclear arms on their soil?

**Mr. Hellyer:** Yes, I knew it three years ago. As a matter of fact, I introduced the problem in the house and drew it to the attention of the government of that day. I was surprised that after three years nothing had been done about it and it was left for me to try to solve.

**An hon. Member:** You are a hero.

**Mr. Hellyer:** In order to make our proper assessment of future requirements we have undertaken a number of studies. These include both major and minor studies ranging from the study of the probability of various types of wars to various types of incursion or insurrection which might take place in the world generally, the balance of forces at present existing between east and west and the possible most effective contribution which a country like Canada could make in the years ahead.

A number of additional specific studies have been undertaken and are being undertaken, and we hope that in total they will give us a very broad base of information on which to work toward a comprehensive policy for the future.

I also gave an indication of the timing that I hoped would be achieved and I concluded my remarks in respect of the general review by saying:

> It is hoped that notwithstanding the considerable scope and magnitude of our own studies we will be in a position to reach conclusions early in the new year. I am sure that the views of this committee will be most helpful in assisting us to determine the best role for Canada to play in future years.

*Abandonment of Defence Projects*

Actually, Mr. Speaker, we have stuck to our target dates very well so far. We are making very good progress in the Department of National Defence. We still hope to achieve our goal of having a policy ready for consideration by the government in the new year which could be presented to this parliament before the following year's estimates are being considered. I still hope that the special committee on defence will make recommendations before we have completed our policy study so that we will have the benefit of their views.

**Some hon. Members:** Oh, oh.

**Mr. Hellyer:** I said, and I state again, I would welcome a report from the committee stating the consensus of the members of that committee with regard to what the future defence policy of Canada should be. I have been told that the committee hopes to have a report ready in mid December. If this could be achieved, it would be very valuable and be of considerable assistance to the government in discharging its responsibilities. My statement to the defence committee not only set out the problems on which decisions must be made, but also was a rather accurate indicator of the timing in respect of them.

Now, I should like to refer to the specific charges set out in the amendment. The first of these is with regard to the cancellation of the general purpose frigate program. This decision was forecast in a statement to the special committee on defence. It was stated then the cost was considerable; that it was a major project involving a very large proportion of our resources, and for that reason would have to be reviewed very carefully. Particularly, it would have to be reviewed in the light of the effect it would have on future policy because there has been the charge that equipment determined policy, and there has been the suggestion put forward in many quarters that it should be the other way around—that policy should determine the acquisition of equipment.

This was certainly a consideration in the review of this particular project. There were, as I stated in the house the other day, other aspects in respect of the cancellation. These particular ships were multi-purpose, ships designed for a number of different roles; and because they were fairly small ships and so many different capacities were included as part of the design, the effectiveness of each was compromised considerably. One of the major problems, Mr. Speaker, in respect of this decision not to proceed, is the decision of what the future roles of our armed forces will be, and of the navy, which is the proud, senior branch of our armed services.

[Mr. Hellyer.]

Our general review is taking a look, first of all, at strategy. Is the strategy of the western world realistic? Does it take into consideration the change which has taken place in the last few years or does it still reflect the circumstances of 1954 and 1955? I think Canada has a considerable influence, if it properly exerts this, in determining what strategy should be. Certainly, we should be aware of the strategical implication because our contribution and our policy must at least have taken them into account; otherwise we are likely to find ourselves in a position where we are either making a contribution which is redundant, or failing to make our most effective contribution towards the peace and stability of the world.

We are doing a special review on naval problems, and particularly in the antisubmarine warfare field. We are going to determine, if we can, the relative effectiveness of different weapons systems in that respect. So far as we can determine, this has not been done effectively by any navy in the western world. There have been studies, and I would not want to give hon. members the impression there have not been. However, a specific cost-effectiveness study of antisubmarine weapons systems to my knowledge is not available. We are going to undertake one in concert with our allies. It will be designed to determine, as best we can, the relative effectiveness of submarines, both conventional and nuclear, of surface ships, both large and small, of ship based aircraft, both fixed wing and helicopters, and of land based planes. It may easily be that in the antisubmarine role a combination of these carriers is the best solution. But we must have a broad band of information, more than we have at present, before deciding just what the proper mix should be. Our goal is to get for our navy the best equipment possible for the tasks and roles that it will be assigned in the years that lie ahead.

Now, Mr. Speaker, the second specific charge was in relation to Penhold. Penhold, as hon. gentlemen know, was chosen as a base for jet training. In order to effect jet training at Penhold, a number of requirements existed. The first of those was extra land; the second was runway extensions; and the third was the use of air space. When the question of air space was considered, it did not check out.

**Mr. Woolliams:** Mr. Speaker, I wonder if the minister would answer a question?

**Mr. Hellyer:** I would be delighted to do so, if I can.

**Mr. Woolliams:** Did you not, Mr. Minister, confirm that this would continue to be an air

base in Alberta in accordance with your own plans, and when you ran into difficulty was it not because of a conflict with the Minister of Transport (Mr. McIlraith)?

**Mr. Hellyer:** I do not believe I quite understood the first part of the question, but may I state the facts as I know them and if the hon. member has an additional question he may ask it.

Before our government took office it had been decided to use Penhold as a jet training base. It was in the plan; it was an accepted fact. Later, as information came across my desk, I found that not all of the things that had to be checked out in respect of it had been checked out. One of these things was the use of air space. When we communicated with the Department of Transport, this was confirmed. When their requirements were made known to us, it was obvious that there was not sufficient air space available to properly effect jet training safely at Penhold. With the facts in front of us, we had to make a decision for the safety not only of the people using the air lanes but also for the safety of the people on the ground in that district. There was no other choice open to us.

Now, my hon. friends might say that this could have been caught sooner, if the problem of air space had been checked out earlier, and this is quite true. It was not checked out earlier. It could have been checked out many months before under the regime supported by the hon. gentlemen. The main thing, so far as I am concerned, is that we caught the error before the plans got too far and before vast new amounts of the taxpayers' money had been spent.

**Mr. Woolliams:** Would the minister answer another question? Did you not confirm, as reported in the newspapers in Alberta, that this was to be a training base?

**Mr. Hellyer:** I do not know what is meant by "confirming". It is possible that earlier on I did state it would be used, because it was planned that way.

**Mr. Woolliams:** Was it so?

**Mr. Hellyer:** I don't know, and anyway I think it is irrelevant at this stage.

The third charge relates to the contemplated abandonment of other defence establishments. First of all, this is hypothetical but also, Mr. Speaker, it is quite possible. We are making an effort in the Department of National Defence to effect economies by reducing overhead. The only way this can be done is to implement changes. One suggestion that has been made hundreds of times and in hundreds of places, including many hon. gentlemen in various parts of this house, is that we have too much overhead, too much tail and not enough fighting teeth in the Department of National Defence; that we should cut the fat and increase effectiveness. However, just as soon as somebody initiates a move in this direction, there is a general outcry. It is impossible to have it both ways. If our job is to provide the maximum fighting effectiveness that we can with the resources available to us, and to get the best use of the taxpayers' dollar in making a contribution to the defence of freedom in the western world, then some changes are absolutely essential. They are not all going to be politically palatable. You just cannot avoid it. You talk about accepting the facts of life, and these are the facts of life. You either want a large establishment and a small operational force, or you want to put more of your resources into the forces and have a smaller overhead. This is a decision that must be made.

If we want to have the maximum defence effectiveness, then economies have to be effected in other directions. This is going to cause some hardship in some cases, and it cannot be avoided. It is clear, however, that if these housekeeping decisions must be referred to in the special committee on defence, it is an abrogation of responsible government.

**Mr. MacInnis:** Would the minister permit a question?

**Mr. Hellyer:** If the hon. member would wait until I am finished.

**Mr. MacInnis:** Mr. Speaker—

**Mr. Deputy Speaker:** Order. The minister is not prepared to yield the floor.

**Mr. MacInnis:** I fully understand this, Mr. Speaker. We all know he is not capable.

**Mr. Caouette:** On a point of order, I am sorry to interrupt the minister but we have an amendment in front of us and an amendment to the amendment. What the minister is discussing right now is the amendment, while we in this part of the house feel he should be dealing with the subamendment.

**Mr. Hellyer:** If the hon. gentleman would give me about two minutes to refer to a statement by the hon. member for Lake St. John (Mr. Lessard) I will get right down to the subamendment immediately after that. The hon. member for Lake St. John suggested we should spend some of our defence dollars to build up other parts of the Canadian economy. I would like to state to him my personal philosophy, which is that we have to put forth more effort in all direc-

tions. We have unused resources in Canada. We have men who are unemployed and factory space which is not being used. I would like to see these resources put back to work and our output increased, so that then we can direct some of this additional output in the direction which my hon. friend suggests. I believe we should do that, rather than make a diversion from one requirement to another.

This is the proper approach when we have these tremendous unused resources. We should see them put back to work effectively and efficiently, increasing output, and then use some proportion of that output to alleviate hardship throughout the world and undertake many of the projects at home and abroad which I am sure all hon. gentlemen would support.

In respect to the subamendment, the question has been raised of the servile imposition of atomic arms on the territory of the "state of Quebec". First of all, Mr. Speaker, I think that the "state of Quebec" is still part of Canada, and one of the propositions which has been put forward, which I think most of us subscribe to, is equal rights and equal responsibilities. Now, it is part of the responsibility of this government to plan as best it can for the defence of Canada, including a contribution to the western alliance.

Part of this commitment, part of the role we have taken on in partnership with the United States, is the air defence of this continent. We are particularly placed in respect to that because, geographically, we cannot separate ourselves from the United States. We are part of the same land mass and we cannot extricate ourselves from our traditional, historical and geographic position associated with our allies and neighbours to the south.

We have accepted responsibilities. They are to our advantage as well as to the advantage of others, and we should never forget that. As I pointed out to the special committee on defence, the United States would have been willing to have placed the two Bomarc squadrons on their territory, but in order to facilitate us and in order to provide some semblance—as it was believed at that time—of protection for the cities of Montreal and Toronto, the stations were moved north into a position further away from the built up areas, in order that interceptions could take place at an earlier time.

This made perfectly good sense from our point of view, and it was a decision which was concurred in by the government of Canada. No one forced it on us, nor was there any servility involved. We made that decision; no one else could make it.

**An hon. Member:** General Norstad.

[Mr. Hellyer.]

**Mr. Hellyer:** Hon. gentlemen opposite, when I say "we" I mean we in the broad sense. I mean "you". The decision was made by the government of Canada on behalf of the people of Canada. The people of Canada are proud people, and when they take on a responsibility by decision of their own duly elected government, they feel some pride and responsibility in carrying through with that commitment.

I have stated before, and I believe it strongly that, having led the United States to believe that if they provided the missiles, if they provided the large part of the cost of this weapons system, which is much larger than just the Bomarc stations themselves, and having encouraged them to make such large expenditures as part of their over-all defence program with the obvious thought in mind of making them effective when they were in place, then we had a responsibility as citizens of Canada to carry through with our part of the bargain.

Completely apart from the military effectiveness of the weapons systems themselves, we undertook a solemn obligation, and our neighbours and allies would feel we had let them down and deceived them badly if we did not do what we led them to believe we would do. It is important for us to live up to our word, because our voice is only as loud as our word.

Another point in respect to these weapons systems is that these are defensive weapons systems only. They cannot start a war. They cannot be used for aggressive purposes. There is only one potential use for them, and that would be after a general war had broken out. It is very easy for hon. gentlemen to say that there will be no general war. This is the view which is widely held and we all hope and pray it will be so; but let me just add this one word of caution, that if at the present time, with the present existing weapons stockpiles on both sides of the iron curtain, there were a general war by accident, madness or miscalculation, those weapons systems would save millions of lives.

I do not say this will be true two, three, five or ten years from now. It will depend on the weapons systems available on both sides of the iron curtain; but I am saying that, as of this moment, if there were a war of madness or miscalculation, those weapons would provide very effective and considerable interception of attacking bombers—

**Mr. Churchill:** What about missiles?

**Mr. Hellyer:** And save a great many lives. The hon. gentleman knows they are not effective against ballistic missiles.

**Mr. Churchill:** Don't mislead the public.

**Mr. Hellyer:** I am not misleading the public, but I would like to add a few things for the edification of my hon. friend, that whereas the missiles would, if there was such a war, be used in the initial attack, at this moment the big weapons, the weapons of millions of tons of explosive power, are still carried predominantly by manned bombers. So, the statement I made is mathematically correct.

**Mr. Pugh:** Did you put that before the defence committee?

**Mr. Hellyer:** At any time.

**Mr. Pugh:** Did you put it before the defence committee?

**Mr. Hellyer:** It is mathematically correct. If there were now, and pray heaven it won't happen, a war by miscalculation, these weapons systems would have a beneficial effect in that they would save many lives.

**Mr. Winch:** An absolute lie.

**Mr. Hellyer:** It is not a lie. The hon. gentleman can forecast into the future any amount he wants, and he may be quite right in respect to the future.

**Mr. Winch:** I am talking about now.

**Mr. Hellyer:** Now is what I am talking about.

**Mr. Winch:** Well, take the evidence of your own chiefs of staff.

**Mr. Hellyer:** I have, and I am more familiar with my own chiefs of staff than any hon. gentleman opposite.

**Mr. MacInnis:** Would the minister permit a question?

**Mr. Hellyer:** If you wait a minute or two I will be through.

**Mr. MacInnis:** The minister is trying—

**Mr. Deputy Speaker:** Order. The minister does not have to yield the floor.

**Mr. Greene:** Stupid questions later.

**Mr. Pugh:** Stupid answers now.

**Mr. Hellyer:** Because our air defences, even though they are not a major part of the total air defence of North America, are an integral part of a system designed on a continental basis. I believe we have a responsibility, for the time being at least, to carry forward with those weapons systems which we have acquired, and bring them to their maximum usefulness. It is for this reason that agreements have been signed and that the weapons systems will be brought to their maximum useful state as quickly as that can be brought about.

Under the circumstances I reject in the strongest possible terms any implications of servility; this is not true. We want to make our own decisions, but we also still believe in the sanctity of contracts, and when a duly elected government of the people makes a decision it binds them to an action which is relied on by others. Unless the other party is willing by negotiation to contract out, which in this case I am sure it is not, then I think we are duty bound as honourable people to carry it through and do our part of the bargain. In consequence we must reject this subamendment. It is unfounded and is not in keeping with the spirit of all our peoples from shore to shore.

Finally may I say this. The question of the morale of the armed forces was raised.

**Mr. Diefenbaker:** Before the minister continues, he has finished the subject he has been dealing with just now. Will he allow a question at this point?

**Mr. Hellyer:** Yes.

**Mr. Diefenbaker:** The hon. gentleman made the statement a moment ago that he was sure that the United States would not be prepared to contract out of the responsibility of Canada's providing nuclear warheads on the Bomarc—is that what the minister said? Has the government tried to contract out as yet, or how is the minister able to speak with such authority when he says that he is sure the United States would not agree to that?

**Mr. Hellyer:** I am not entirely without perception, Mr. Speaker, and in discussions with respect to defence matters I know the regard had for these weapons systems in high places in the United States of America, the importance they attach to them, and the very significant impact they had on the deterioration of relations between our two countries.

The question of the morale of our armed forces was raised. The armed forces of Canada, like the people of Canada, expect this government to produce a comprehensive long range policy and plan which will enable them to carry out their tasks most effectively in the years which lie ahead. In this respect I am sure they will give their full and complete backing to the proposals which will be brought before this house next year. Morale will be stimulated and encouraged by decisiveness and by effectiveness in the years which lie ahead, and we are going to see that everything possible is done to ensure that our armed forces are given the tools with which to do the job.

In conclusion, Mr. Speaker, may I remind hon. gentlemen that we are going to proceed with our studies. We hope that the special committee will do the same.

**Mr. Diefenbaker:** With perception.

**Mr. Hellyer:** With perception and with understanding, and I hope with comprehension as well.

**Mr. Diefenbaker:** I do too.

**Mr. Hellyer:** In accordance with our responsibilities we will prepare and bring before this government next year, before the following year's estimates are introduced, a comprehensive policy related to the strategic concepts of the western world. It will enhance Canada's contribution to the freedom of the western world, to the peace of all the world, and which will provide a plan and chart a course which will have the backing and support not only of the armed forces of Canada, but I hope of the special committee on defence as well, and the vast majority of people from coast to coast.

**Mr. Deputy Speaker:** Is the hon. member for Bow River (Mr. Woolliams) rising to ask a question?

**Mr. Woolliams:** Yes, Mr. Speaker; the minister did say he would answer. As I understood the position of the Prime Minister (Mr. Pearson), he said that Canada would accept nuclear warheads, and when they got them, negotiate out of them. Is that still the Liberal policy?

**Mr. Hellyer:** To the best of my knowledge he said no such thing. He pointed out very specifically that this commitment which had been undertaken on behalf of Canada was an attempt to work out a much more comprehensive and sensible policy for the years which lie beyond.

**Mr. MacInnis:** Mr. Speaker—

**Mr. Deputy Speaker:** Is the hon. member for Cape Breton South (Mr. MacInnis) rising on a question?

**Mr. MacInnis:** I have a question to ask the minister. When I asked a question earlier the minister made a statement which suggested that the special committee would be dealing with this matter. I think his words were "an abdication of government responsibility". I would ask the minister whether the statement which the Prime Minister (Mr. Pearson) made when the committee was about to be set up—

**An hon. Member:** What is the question?

**Another hon. Member:** He does not know.

**Mr. Deputy Speaker:** May we please have some order and give the hon. member a chance to ask his question.

**Mr. MacInnis:** The Prime Minister, in setting up the special committee on defence, said that it would be for the committee to deal with all aspects of defence, including policy. How does the minister consider the remark that he has now made as anything but a contradiction of what the Prime Minister previously said?

**Mr. Hellyer:** I did not hear in what the hon. gentleman said any suggestion that this question of housekeeping would be referred to the committee for decision.

**Mr. MacInnis:** On that very question the minister must be able to answer the point made by the Prime Minister when he referred to all aspects of defence, including policy. This would, I imagine, include the housekeeping aspect. How can he say that his statement tonight is not a contradiction?

**Mr. Hellyer:** It most certainly is not.

**Mr. MacInnis:** Mr. Speaker, I did attempt to ask two questions, and on both occasions the minister said he would reply when he had finished. The minister also said that he is more aware of the opinions of his chiefs of staff than any other hon. member in the house. This was when he was speaking on the issue of the Bomarc. Does that mean that the chiefs of staff have not been accurate in their submissions to the defence committee?

**Mr. Hellyer:** Not at all.

**Hon. J. A. MacLean (Queens):** Mr. Speaker, in rising to take part in this debate I recognize at once the great importance of the question of defence policy as far as this country is concerned. It is something that exercises the minds of a great many Canadians, and in addition to that it is one of the costliest projects that Canadian taxpayers are involved in. At the moment we are confronted with the question of certain decisions which have been made, and others pending, which have a great bearing on what our defence policy is going to be in the future.

It was said during the campaign before the election last April that this is something which a committee of the house should decide. I am one who agrees that the airing of views in public, with a view to making as many Canadians as possible conversant with the various points of view having to do with defence and the various problems involved, is a useful exercise. But I think the government cannot have it both ways. Last March 26, while speaking in Kingston, the Prime Minister had this to say:

> A Liberal government also would set up an all-party Commons defence committee right away to take the defence issue away from partisan politics. The committee's work would be part of a Liberal government review of Canadian defence policy to determine an appropriate role for this country.

Such changes would take considerable time. We now find ourselves in the position where any report which the committee may make may be completely contradictory to the decisions the minister is currently taking.

It is said that the work of this committee will be part of the government's review of defence policy. If it is only a part, it should be consistent with the whole; and this is why I object most strongly to the fact that important decisions on defence policy are being announced before the special committee on defence has had any opportunity to study these specific matters.

It is said that the minister has confined his decisions to housekeeping matters. They are much more than that, because housekeeping matters in national defence must fit into a long term policy. If that long term policy is not yet formulated, the minister's so-called housekeeping decisions cannot be intelligently made. The Prime Minister (Mr. Pearson) in that same speech in Kingston on March 26, had this to say—and the fact that time has proved him so obviously wrong in this second statement removes credence from the other one. He said on that occasion: "As soon as parliament meets we will act to bring the muddle and confusion of defence to an end. We will satisfy Canada's defence commitments to our allies." If this is bringing the muddle to an end, I would hate to see the muddle in full steam. In my opinion the Canadian people have hardly ever been more confused about the problems of defence than they are at the present time.

In addition, there is a great deal of apprehension in various parts of the country, because defence decisions have an important bearing on the economy. People are uncertain as to what the future of large defence bases in any particular area may be. My chief concern is that the announcements which have already been made do not bear the earmarks of a policy evolved by defence experts. They bear all the earmarks of pressure by treasury board, I presume, in the process of evolving the estimates of the Department of National Defence for the next fiscal year. They bear all the earmarks of a decree from treasury board instructing the department to cut expenditures at short notice.

I have sympathy for the minister in these circumstances, and I suspect this is the position in which he finds himself. It is true that we should not have a defence policy which envisages spending more money than we can afford. But that is not to say we shall get best value for our defence dollar if we make sudden cut-backs in the program or in any given situation. It was said long ago that the pen is mightier than the sword. This situation bears the imprint of the personality of certain people who believe that a red pencil is mightier than defence philosophy. I hope the minister will stand up against these demands for a sudden cut in expenditure until a reasoned policy can be evolved and until the special committee on defence has an opportunity to record its findings. I hope he will then act on the basis of those findings and on the basis of the evidence presented to the committee, much of which has been of a high order. The government can make the decisions and be responsible for them. No one suggests that the government has to accept holus-bolus any recommendations which the defence committee may make, but I feel the committee will be able to make recommendations worthy of very careful study by the government, recommendations which will be helpful to the government in evolving a long range policy on defence matters. For this reason I think it is most unfortunate that pressure is now being placed on the Department of National Defence to save money, in an attempt to make the deficits a little smaller in the next fiscal year, before a thorough study can be given to all the effects such sudden cuts may have.

Recommendations have been made to the government already with regard to national defence. They may be considered to be minor in character in some respects—I refer to the recommendations of the royal commission on government organization, the Glassco commission. In this report, this commission made certain recommendations to the government. It recommended the closing down of only one defence establishment, the defence college in Victoria, B.C. As far as I know, no action has been taken to implement this recommendation and I do not know what action, if any, has been taken in connection with the other recommendations of this royal commission. This is one phase of defence housekeeping, as the minister calls it, where a fairly thorough study has already been made. If economies are to be effected I would suggest that the minister confine them at the present time to those suggested in the report of this royal commission.

I wish to turn now for a few moments to a subject which the minister brought up, that of submarines. This relates not only to the navy but, also, to the air force and it raises most important considerations. In our day and age there have been great changes in the concept of submarine warfare and anti-submarine warfare. With the advent of nuclear powered submarines and submarines capable of firing medium range ballistic missiles, a new threat is posed to our security,

defence against which poses a difficult problem. Such submarines are no longer a weapon to be used against shipping alone; they pose a threat against land bases and against our cities, both on the coast and several hundreds of miles inland, depending on how close such submarines may get. Thus there is a great new defence policy required to deal with this extremely difficult problem. There is no defence against these missiles. The only defence possible would be to keep these submarines beyond the range of our coasts. If this is to be done, or attempted, a great new role remains to be filled in antisubmarine work. I would agree with the minister that a thorough examination of this whole problem of defence against submarines is most necessary, but I would most strongly recommend to him that no decision be taken with regard to our present forces in maritime command until the results of such a study become available. I have reason to believe there is a distinct possibility that the maritime command of the R.C.A.F. will be forced to cut its expenditure drastically in the next fiscal year. I would hope that the minister and his colleagues from the maritime provinces and British Columbia would recognize the importance of any decision along this line, and resist any ideas that their colleagues on treasury board might have to cut the expenditures of maritime command back, so that there may be money to spend somewhere else. The role of maritime command in the R.C.A.F. and of the antisubmarine branch of the navy is a most important one and, as I have said already, and I reiterate, I think it is most essential that no drastic action be taken along the lines of changing our ability to cope with the submarine threat until this study is completed.

If I may be more specific and come nearer home, I am naturally very much concerned about the future of the R.C.A.F. base at Summerside in my province. I want to turn now for a few moments from the question of the purely defence aspects of this matter and point out to the minister that the most serious consideration should be given to the economic impact of any drastic cut in existing defence establishments, especially those in areas of relatively small population where there are no other industries to cushion the blow if there is a cut-back in such military establishments.

If the R.C.A.F. station at Summerside were to be cut back this would have a profound effect on the economy not only of that area but of the whole province. Although this is only one R.C.A.F. station, I think I am correct in saying that looked at in the rather tiny background, relatively speaking, of the economy of Prince Edward Island it is perhaps the second most important industry of that province. Its removal or drastic cut-back or even slight cut-back would have a very serious effect on the economy of that area. I would hope that the minister would use his best arguments, and I think there are many in favour of maintaining that base, to convince his colleagues that to cut back this station would be a serious mistake not only from a defence point of view, but because it would have a very detrimental effect on the economy of that area and on the employment situation there.

I am generally not very concerned about whether or not we in this parliament make the Secretary of State (Mr. Pickersgill) an honest man, but I should like to remind the Minister of National Defence (Mr. Hellyer) that the Secretary of State had this to say, speaking in Summerside on March 26 last:

> It is the Liberal policy to see that every able person willing to work will have the opportunity to earn a decent living.

I should like to point out to the minister that if the air force station at Summerside is cut back there will be a great number of people there who will have their means of livelihood removed and it will be a severe dislocation to the economy of the province of Prince Edward Island. I might say that the fact that the Secretary of State made this statement does not necessarily mean it is now a policy that is embraced by the Liberal government.

I said there was confusion as far as defence policy was concerned, and that is not surprising because contradictory statements have been made not only in this house but with greater frequency during the election campaign by members who now sit on the treasury benches. Almost at the same time as the Secretary of State was saying that it is Liberal policy to see that every able person willing to work will have the opportunity to earn a decent living, the Minister of Trade and Commerce (Mr. Sharp) at the opposite end of the country made this statement in Vancouver on February 25, 1963:

> People who say that we are going to eliminate unemployment simply don't know the country.

I tend to agree with that statement, but at the moment I should like to point out to the minister that the impression was left not only by the Secretary of State but by his colleague, the Solicitor General (Mr. MacNaught), and by everyone else speaking on behalf of his party, that this very important base at Summerside, which is so important to the economy of Prince Edward Island, would not be downgraded or cut back in any way. I am not raising this point at the moment for political advantage or anything of that

sort. I am speaking as an islander and I wish the Solicitor General well in his attempts with the Minister of National Defence to convince treasury board that this is not necessary.

**Mr. Robert Temple (Hastings South):** Mr. Speaker, in rising to take part in this debate I have the pleasure of speaking as a member of the defence committee. As a member of that committee I believe that its deliberations have been of value and help not only to the members of the committee but also, I believe, to the Minister of National Defence (Mr. Hellyer). Over the course of the meetings since June 27 we have had a variety of witnesses, all of them learned men, no doubt, in their art. However, the hon. member for Winnipeg South Centre (Mr. Churchill), as I understood his remarks this afternoon, apparently does not believe that the defence committee has been of much value, in that it has not been allowed to get to the bottom of things and no one has listened to it. He also says that the government has spread confusion and unrest, particularly by not waiting for the decisions of the defence committee and specifically by scrapping the general purpose frigate program.

I submit that the committee has had the opportunity of examining a great deal of the defence policy of Canada and especially with reference to the general purpose frigate. Since the committee's first meeting on June 27 it has heard many times about the general purpose frigate, about its speed, about its performance, about its cost and what it can do. We found out that the cost for eight frigates is $452 million, considerably up from the $300 million forecast a year or two ago. We can say, of course, that this is because it requires munitions, stores and various other equipment, but as we found out on October 15 the total cost is $452 million.

On October 18 we learned about the speed of the proposed frigate vis-à-vis a nuclear submarine. When a frigate that is supposed to go out, detect, locate and destroy enemy submarines can only travel 27 knots per hour it is not going to be very effective against a nuclear submarine that can travel 40 or 50 knots per hour submerged.

**Mr. Langlois:** On a point of order, Mr. Speaker, I think the hon. member is somewhat off the subamendment at the moment.

**Mr. Temple:** Mr. Speaker, I am coming very quickly to the matter of the subamendment. As a matter of interest, though, I thought that the subamendment was a little bit at variance with the amendment. However, members of the house have ruled that the subamendment does in fact bear a close resemblance to the amendment so I do not think I am too far off base. I have spoken briefly about the speed of the frigate compared with the speed of a nuclear submarine. We also found out that the proposed general purpose frigate was somewhat inferior in speed to the latest Leander and Whitby class frigates produced in the United Kingdom.

This afternoon the hon. member for Winnipeg South Centre also said that the Minister of National Defence was scuttling the navy. He said that the Royal Canadian Navy was shattered and the effectiveness of the armed forces was reduced. I should like to ask this: Am I correct in taking from the remarks of the hon. member for Winnipeg South Centre (Mr. Churchill) that we would help the navy, we would help the defence of Canada, we would increase the effectiveness of the armed forces, by continuing with the acquisition of eight obsolete general purpose frigates?

Now, it seems to me, Mr. Speaker, that was what the hon. member for Winnipeg South Centre implied. In fact, there was more than an implication; there was a definite statement that Canada should have eight obsolete general frigates. When the hon. member makes these remarks, I would refer him to the testimony of Commodore Plomer, General Foulkes and General Simonds before the committee, all of whom held opinions to the contrary about the acquisition of the general purpose frigates. I think, Mr. Speaker, it has been obvious to the members of the defence committee for quite some time that we should not go ahead with the acquisition of the general purpose frigates. I think the testimony that came out in the committee was of great help to the Minister of National Defence and his department.

No doubt my hon. friends across the aisle wish to hear some remarks about nuclear arms being based in Quebec. I shall leave that part of the subject to other qualified members of our party. I merely wish to say that I believe the committee is doing good work, will continue to do good work and that if the committee, the Department of National Defence and the minister continue to co-operate we will do a lot of good for the people of Canada.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, coming as they did after our subamendment on nuclear arms in the state of Quebec, I was rather surprised to hear the arguments put forth by the present Minister of National Defence (Mr. Hellyer). However, there is surely one point that nobody could have forgotten. Last April a member of the United States cabinet, namely the defence secretary,

stated that the Bomarcs we were seeking to instal at La Macaza base were obsolete and would serve but one purpose, that is to make good targets for Russian atomic bombs or nuclear weapons in case of an attack against the United States or Canada.

Mr. Speaker, there are three nuclear arms bases in the province of Quebec: Val d'Or, Bagotville and La Macaza.

And those bases are to be used for one thing only, not for defensive purposes, because, as stated by the U.S. defence secretary, those weapons are obsolete, but as targets for the nuclear weapons that might be directed against the United States and Canada. That means that Canadians are to be used as targets for the nuclear attacks which would otherwise be directed against the United States.

Mr. Speaker, if those weapons are efficient, why were they not installed north of the American border itself? Then the American territory would have been protected. But no, they are installed 400 miles farther north, especially to prevent the first enemy nuclear bombs from hitting the United States and to have them fall on the heads of Canadians.

Mr. Speaker, we may well ask the Minister of National Defence whether, under such circumstances, the wives and homes of Canadian citizens are not just as important as the wives and homes of Americans.

That is when the Minister of National Defence jumped to his feet—I would practically say like a comedian—to speak of the responsibilities of the present government. I submit that the first responsibility of the government is towards the citizens of Canada and not those of another country. Its foremost concern should be the Canadian people.

In my opinion, the first duty of the present government was to commit Canada to a policy of world disarmament and to encourage all countries to follow a policy of nuclear disarmament because, as we all know, a nuclear war is unthinkable today since it would destroy the whole world.

By refusing to accept nuclear weapons, Canada could have kept on playing that part, but by joining the nuclear club, our country can hardly act as peacemaker or advocate nuclear disarmament.

When I went to the United Nations on September 15 last, the present government had just made known its intention to store nuclear weapons on Canadian soil. This was only a few days after a hundred or so countries of the world had signed the Moscow agreement banning nuclear tests throughout the world.

While the situation was less strained, while countries were effecting nuclear disarmament and it was agreed to stop nuclear tests, Canada was the only country in the world willing to store nuclear weapons. As a matter of fact, since then no other country has stored such weapons.

And yet, remember the fight there was last year, around the same date, when the United States objected to the storing of nuclear arms in Cuba because it was a neighbouring country. Well, Canada also is a neighbour of Russia. What if the storing of nuclear arms were to start a nuclear war, which is what almost happened last year?

Mr. Speaker, for all those reasons, we object to the storing of nuclear arms in the province of Quebec. Moreover, we do not think that the role of Canada is a nuclear one, but rather that its role is to work towards peace and disarmament throughout the world. We also feel that a nuclear war is unthinkable and that the presence of nuclear arms on our soil must be avoided as much as possible so that our country may be spared the hardship that might be the lot of many countries.

That is why we are against nuclear stockpiling within the state of Quebec.

Mr. Speaker, a great many municipal councils, social clubs and national organizations are opposed to the acquisition of nuclear weapons by Canada or at least by the province of Quebec. I should like to draw to the attention of the Minister of National Defence resolutions which were passed by municipal councils and national organizations in that connection.

I have here a resolution dated July 8 which was adopted by the town of Port Alfred, county of Chicoutimi, and which is signed by both Mayor J. E. A. Beaulieu and town clerk Willie Tremblay. The relevant part of the resolution reads as follows:

> That the town of Port Alfred protest to the Minister of National Defence against the stockpiling of nuclear weapons at the R.C.A.F. base at Bagotville, and request that the government reconsider its decision and refuse to accept any kind of nuclear weapon in Canada. And if it is proven that the country needs them, the government must see to it that they are stored in a place where they would offer no hazard for our populations, should an accident occur.
>
> Therefore, the town of Port Alfred should canvass all the towns of the area, from Dolbeau to the Baie des Ha! Ha!, and ask them to second its request to the government.

*(Text):*

That city, Mr. Speaker, is located three miles away from the military base of Bagotville, where squadrons are stationed and where nuclear arms are stored.

Besides the request from the town of Port Alfred, I have another one from the town of Alma, in the constituency of Lake St. John, which is signed by his worship Mayor J. L.

Desmeules and Mr. Paul Tremblay, deputy clerk, and which reads as follows:

It is moved by alderman Dr. Raymond Grenon, seconded by alderman Maurice Fortin, and unanimously adopted, to second the motion adopted by the city of Port Alfred to the effect that it opposes the federal government plan to store nuclear warheads at the Bagotville base of the R.C.A.F.

[*Translation*]

**An hon. Member:** All good Liberals.

**Mr. Gregoire:** These are two official protests from public corporations in the ridings of Lake St. John and Chicoutimi, two of the largest cities in those regions.

Moreover, I received another letter of protest from the Societe St. Jean Baptiste, Saguenay branch. By the way, I know very well the former regional president of that society. It is a resolution adopted on July 30, 1963, at the annual meeting of the members of the executive of the Saguenay branch, which reads as follows:

The members of the executive of the Societe St. Jean Baptiste, Saguenay branch, protest against your government's decision to equip with nuclear warheads the planes at the air force base at Bagotville and to store them.

That dangerous situation will certainly endanger the life of the citizens. We know that the government will go ahead anyway, but it will be against our will.

In the hope that you will ask the proper authorities on our behalf to put a stop to such a situation, I remain, yours very truly—

Mr. Speaker, in addition to the representations made by the municipalities, I have here the July 3 issue of *La Terre de Chez Nous* in which the Catholic Farmers' Union protests as follows:

The Catholic Farmers' Union is made up of over 43,000 farmers—

In the province of Quebec only, and this is what they say:

Instead of joining in the arms race, our country could play a much more useful part in the world by urging other countries to promote disarmament and peace and by providing assistance to underdeveloped countries.

**Some hon. Members:** Well said.

**Mr. Gregoire:** And the article of the Quebec Catholic Farmers' Union goes on as follows:

Quebec farmers, as all French Canadians, were against conscription in the 1914 and 1939 wars. The prospect of an atomic war is a thousand times more horrible than past conscription.

—Mr. Speaker, some municipalities, St. Jean Baptiste societies or other social clubs wrote to ask me to protest against the storage of nuclear weapons in Quebec using approximately the same terms as the St. Jean Baptiste society, from the Saguenay area used in its letter:

We know that the government will do it just the same without our consent.

—I replied as follows: I think that my request will be useless since the Department of National Defence does not take any advice from anybody and makes sport of everybody.

Mr. Speaker, nevertheless we want to record the protest of the province of Quebec, and members from that province in this house know very well at the present time that such is the opinion of all their fellow citizens from Quebec to protest strongly against the storage of nuclear weapons in that province, in the counties of Lotbiniere, Mercier, St. James or any other one, and the Liberal members know that very well.

**Mr. Auguste Choquette (Lotbiniere):** Mr. Speaker, may I ask the hon. member a question. Can he explain to us, in view of the stand taken by the present Prime Minister, who was then leader of the opposition, how we still managed however to get 47 Liberal members elected in the province of Quebec?

**Mr. Gregoire:** Mr. Speaker, the first three words of the amendment to the amendment explains that—

**An hon. Member:** Because your leader believes in it.

**Mr. Gregoire:** The explanation is found in the first three words of the amendment to the amendment:

"subserviently agreeing to the storing of nuclear arms"

Mr. Speaker, the Liberals, the hon. members for Lotbiniere and Mercier included, know full well that during the last general election they accepted contributions from the U.S. financiers to bolster their slush fund.

They have not been elected by the voters of the province of Quebec, but by American money.

**Some hon. Members:** Order.

**Mr. Gregoire:** The hon. member for Lotbiniere and the others know that very well—

[*Text*]

**Mr. Deachman:** On a point of order, Mr. Speaker, the hon. gentleman is no longer in the house. He is standing behind the bar.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I can see it hurts. There is a wound at the broken arm. They cannot stand the truth now, because you know very well that the last election was won with the help of American financiers.

**Mr. Choquette:** Mr. Speaker, may I—

[*Text*]

**The Acting Speaker (Mr. Batten):** If the hon. gentleman has a question to ask the hon. member for Lapointe, will he do so?

*Abandonment of Defence Projects*

**Mr. Choquette:** I have a question of privilege, Mr. Speaker.

[*Translation*]

Mr. Speaker, may I rise on a question of privilege?

What the hon. member for Lapointe says is absolutely untrue. In the riding of Lotbiniere—

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. I have allowed the hon. gentleman to stray away from his place, but I would rather he would not stray away from the subamendment.

[*Translation*]

**An hon. Member:** It is not a question of privilege.

**Mr. Gregoire:** Mr. Speaker, it is a well-known fact that during the last election campaign, the Liberals promised to acquire nuclear arms and that their arguments had the support of American finance.

It is on account of the help of American finance, which bolstered the Liberal party's coffers, that they won the last election, and everybody knows that the cash-box was well supplied. We all keep in mind the great number of television programs and full page advertisements in the newspapers.

[*Text*]

**The Acting Speaker (Mr. Batten):** Order, order.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I was entirely within the limits of the subamendment while I was explaining that

to accept servilely—

means someone who can be bribed. This is the word I was trying to explain, and it is included in the subamendment.

Mr. Speaker, if I was dealing with that point, it is because the Liberal members of the province of Quebec are well aware that the Quebec voters do not support the storage of nuclear arms in the state of Quebec.

Tomorrow, during the vote on the motion, if they do not support the subamendment, the reason will be that they are tied, they have been bribed by American financiers who have generously replenished the election coffers.

**Mr. Jean Berger (Montmagny-L'Islet):** Mr. Speaker, could I put a question to the hon. member?

[*Text*]

May I ask a question of the hon. member for Lapointe?

[The Acting Speaker (Mr. Batten).]

**Mr. Gregoire:** On one condition, that I will have the time back at the end of my speech.

[*Translation*]

**Mr. Berger:** The hon. member claims, and keeps insisting on the fact, that the Liberal members were elected thanks to U.S. funds. I should like him to prove it or stop making fallacious assertions against several members from the province of Quebec.

**Mr. Gregoire:** Mr. Speaker, it is very easy. I put on the order paper of the house—

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. The hon. gentleman from Lapointe has the floor and has the right to make his speech without interruption. If any hon. member wants to ask him a question, then the hon. member for Lapointe may yield the floor. Otherwise he will continue with his speech.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I shall have ample time to do that since I have put on the order paper a notice of motion for the setting up of a committee to consider the sources of the election expenditures of the four political parties. Then, I shall be able to give proof.

In any event, Mr. Speaker, we know one thing, and it is that the province of Quebec does not want it. And I challenge the present government to hold a referendum, to have the courage to hold a referendum in the province of Quebec, as the Liberals did in 1942 on the conscription issue. At that time, the members from the province of Quebec reacted according to the will of their electors. And in the present case, they would soon realize that those electors are against the storing of nuclear weapons in the province of Quebec.

I would ask them who pretend to ignore where the funds came from for their last election, I would ask them to have at least the decency to vote according to the wishes and desires of their electors in their ridings. Now that they are sitting here, they could take the most decent way to defer to the desire of their electors in their riding, that is to vote for the subamendment against the acquisition of nuclear weapons in the state of Quebec.

**An hon. Member:** Very well.

**Mr. Gregoire:** We have said in the province of Quebec, that the part for Canada to play would be to strive for peace in the world and not for destruction and for war. That is what we said.

It was not nuclear arms we asked for, Mr. Speaker, but bread, butter, homes and work for everybody in this country.

While we are trying to suggest ideas to improve our system so that every Canadian citizen can find an adequate and decent living in this country, the present government has but one thing in mind, nuclear weapons, the storing of nuclear weapons we shall not even control but which will be controlled by foreigners, by the Americans.

When I see the surprise on the face of the hon. member for Mercier (Mr. Boulanger), I find that to be the normal attitude of the guy who could not care less, who crawls on his belly, who drags along, acts like a sheep, is unable to think for himself and lets others do it for him.

Mr. Speaker, may I call it ten o'clock?

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. It being ten o'clock p.m. this house stands adjourned until 2.30 o'clock tomorrow afternoon.

At ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Tuesday, October 29, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. NIELSEN—ANSWER TO STARRED QUESTION ON ORDER PAPER

**Mr. Erik Nielsen (Yukon):** I rise on a question of privilege which affects all members of this house. It concerns the veracity of returns and statements made by two occupants of the treasury benches. I regret very much that I have to refer to the Secretary of State for External Affairs, because hitherto he has always appeared to me to be forthright. However, I am afraid the evidence I have on this matter in uncontrovertible. What I have to say affects also the minister of northern affairs in connection with a return he made to my notice of motion for the production of papers, No. 64.

However, my question of privilege affects more directly the Secretary of State for External Affairs in relation to my starred question, No. 1,235, which appeared on the order paper on October 4. It was answered by the hon. gentleman on October 21. In order to lay the groundwork for my question of privilege I have to read from starred question No. 1,235, as follows:

> Has the government of Canada or any official or employee of the government had any consultations with either the government of the province of British Columbia or with the government of the United States of America or with any official or employee of either of the said governments with respect to (a) the maintenance or paving of the Alaska highway?

The question continues but what follows is not relevant to my question of privilege. The answer given by the Secretary of State for External Affairs on October 21 was as follows:

> There have been no recent negotiations between the governments of Canada and the United States on any of the five subjects mentioned in the question although there have been some informal and inconclusive discussions with regard to the Haines cut-off highway.

The remainder of the answer is irrelevant to the point I am making.

I have, Mr. Speaker, a letter dated October 3, 1963, from the officer in charge of Canadian affairs, department of state, Washington, which letter reads in part as follows:

> Discussions have also been held in the past with officials of the Canadian government and have revealed that, in Canadian thinking, paving of the Canadian portion of the Alaska highway has quite low priority, owing to the limited economic benefit which would be derived for Canada relative to the cost. In their view, Canadian funds would be more profitably expended on other highway projects in Canada, some of which might also be of more immediate benefit to Alaska than paving the Alaska highway.
>
> Following a recent report of an alleged renewed interest on the part of the Canadian Minister of Northern Affairs and National Resources, Arthur Laing, the department requested the embassy in Ottawa to seek clarification from responsible Canadian officials. Upon inquiry the embassy learned that the story was apparently based on a passing comment to a reporter and was not an official statement.

The letter goes on to say:

> The embassy has been informed that this statement reflects the official position of the Canadian government. This would seem to indicate that no change in the Canadian government's views has occurred.

My question of privilege is that the answer given to me by the Secretary of State for External Affairs is false if we are to believe the information in this letter dated October 3, 1963, which was well before the minister gave his answer to me in the house. The letter is signed by Delmar R. Carlson, officer in charge, Canadian affairs, department of state, Washington.

I think the house must either have this matter satisfactorily explained by the minister or must accept the conclusion that there has been deception in the minister's reply.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I am sure my hon. friend will agree there has been no deception. If there has been wrong information given, that will be corrected. I shall look into this matter at once, but I assure my hon. friend that the answer I gave was the answer that I believed the circumstances warranted. However, I will be glad to examine what my hon. friend has said in relation to the answer given and to the facts as I am informed of their existence. I shall be glad to look into the matter.

**Mr. Nielsen:** May I say a brief word in conclusion on the question of privilege and by way of reply. It seems to me again, Mr. Speaker, that we must get proper answers to the questions we ask. I should not have to go through the department of state in

Washington. I do not want to put my questions on the order paper in the United States congress.

## RAILWAYS, CANALS AND TELEGRAPH LINES

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

**Mr. Prosper Boulanger (Mercier)** presented the second report of the standing committee on railways, canals and telegraph lines, and asked for unanimous consent to move that the report be concurred in.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, before the report is concurred in, I would like to point out that, at this morning's meeting, the committee on railways, canals and telegraph lines unanimously agreed to a motion requesting the interested authorities to see to it that the reports of the committee are published in both languages at the same time, in view of the fact that this morning we received only the English text, although the committee had asked that, in future, the report be published simultaneously in both French and English.

[*Text*]

**Mr. Speaker:** In reply to the hon. member for Lapointe I must say that the only question before the house is this motion. Therefore I propose we restrict ourselves to the motion which has been presented.

Motion agreed to.

## TRADE

WHEAT—ANNOUNCEMENT OF SALE TO CZECHOSLOVAKIA

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, for the Minister of Trade and Commerce, who is away on public business, I wish to announce that he has just signed, on behalf of the Canadian government, a long term wheat agreement with the Czechoslovak Socialist Republic. In connection with the negotiation of the agreement, the Minister of Trade and Commerce welcomed to Ottawa Mr. J. Poula, Czechoslovak vice minister of foreign trade, who is in the gallery today witnessing our proceedings. Mr. Poula signed the agreement on behalf of the government of his country.

The agreement is for a period of five years during which Czechoslovakia will purchase and Canada will supply 1.2 million metric tons of Canadian wheat, that is, about 44 million bushels, for shipment in the following quantities: In the first year of the agreement, 350,000 metric tons, of which 120,000 tons will be shipped before July 31, 1964; in the second year of the agreement, between 300,000 and 400,000 tons; in the third, fourth and fifth years, a combined total of between 450,000 and 550,000 metric tons, provided that the quantity in each of these years shall not be less than 120,000 tons.

The Canadian wheat board and Koospol have concluded the first sales contract under this agreement, which provides for the shipment of 120,000 metric tons of wheat during the summer of 1964. Purchases under this agreement will be facilitated by the extension of credit arrangements under the Export Credits Insurance Act providing for payment over three years.

There is a long standing tradition of friendly and fruitful trade relations between Canada and Czechoslovakia. The house will share my view that this important new agreement between the two governments is a clear indication of the desire of both parties to see an increase in the development of mutually advantageous trade.

**Hon. Alvin Hamilton (Qu'Appelle):** I am sure all Canadians will welcome the extension of these sales to countries behind the iron curtain. I should like to say a word of appreciation to his excellency the ambassador for Czechoslovakia for the very long and careful negotiations he has carried on with the Canadian government over the last two or three years leading up to this long term agreement. Since the announcement was made by the Secretary of State for External Affairs, I think he can assure the house that there are documents on file outlining the conditions that we thought would make an excellent basis for a long term agreement. I am pleased indeed to see that this idea has been put into effect and has been accepted by both parties.

I think, too, the house will recognize the wisdom of the course followed a year ago, when the first item of business in that new parliament was the extension of the Export Credits Insurance Act to provide $400 million under this act to cover these new sales. I hope that new sales announced in the next week or so will be of equal size to the one we have heard about today.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I am sure the people of Canada are not particularly concerned about which government was in office when these negotiations were started. What the people of Canada will be pleased to know is that an agreement has been concluded. We in this party would like to offer our congratulations to the Canadian wheat board upon concluding this agreement,

and to express our thanks to the Czechoslovakian ambassador who has carried on the negotiations on behalf of his government.

I think, Mr. Speaker, the succession of sales agreements that have been concluded in recent months all indicate the value of having a wheat marketing board and carrying on an orderly wheat marketing policy. In spite of the criticism we have heard from south of the border with regard to fixed price agreements, I think in the long run both the importers of wheat and the producers of wheat in Canada will gain from this arrangement.

**Mr. H. A. Olson (Medicine Hat):** We in this group, Mr. Speaker, welcome the announcement that has just been made in respect of the sale of grain to Czechoslovakia. We offer our congratulations to the wheat board upon negotiating this deal. I think, too, we would like to take this opportunity of supporting the government in the action they have taken to provide the credit that was necessary to bring the deal to fruition.

I think the succession of large grain sales made during the last few months points to the fact that Canada is resuming her position as the major exporter in the international wheat market, and it is particularly welcome following the excellent crop Canada has had, and which is now completely harvested and in storage.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, it is with pleasure that we have learned of this new sales agreement signed with another of the countries behind the iron curtain.

These countries recognize, I am sure, the superiority of our grain or wheat production; no doubt this is why they are interested in buying part of our national production.

However, our eastern farmers will see with a certain anxiety, perhaps even with anguish, ships sailing along the St. Lawrence, and filled with wheat for Czechoslovakia and Russia.

In addition to the wheat which is being sold to the countries behind the iron curtain we would like to see some wheat being sold inside our own borders, and more particularly along the St. Lawrence; our eastern farmers would then also benefit from our production at a price which would be every bit as profitable as the price which is offered foreign countries.

Mr. Speaker, we like to hear statements of that kind coming from the minister about sales to other countries, but we sincerely hope that the day is at hand when the Canadian government will announce a policy favourable to our eastern farmers.

[*Text*]

[*Later:*]

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Secretary of State for External Affairs arising out of his statement concerning the wheat agreement with Czechoslovakia. Is the statement that he made to the house today a duplication of the statement he made to the people of the United States while in that country over the week end, speaking to a university group, or is this another statement he has issued to the Canadian people?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I would hardly call it a duplication but rather an amplification.

## PUBLIC ACCOUNTS

REFERENCE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT TO COMMITTEE

**Hon. Walter L. Gordon (Minister of Finance)** moved:

That the public accounts, volumes 1, 2 and 3, and the report of the Auditor General for the fiscal year ended March 31, 1962, laid before the house on January 21, 1963, be referred to the standing committee on public accounts.

Motion agreed to.

## MINES AND TECHNICAL SURVEYS

ANNOUNCEMENT OF SHIP CONSTRUCTION PROGRAM

**Hon. W. M. Benidickson (Minister of Mines and Technical Surveys):** Mr. Speaker, I would like to announce to the house departmental programming plans for the construction of 12 survey and research ships at a cost of $50 million, with tender calls during the next five years.

The ships are to be used to meet the vital needs for charting and studying Canada's tremendous expanses of coastal and inland waters. The new plans simply mean that the Department of Mines and Technical Surveys has an impressive shipbuilding program to replace obsolete ships and to provide the additional ships so urgently needed for hydrographic and oceanographic work.

The new program will be carried out in two phases. Phase one calls for the construction of five vessels at a cost of some $20 million, with tender call during the next 14 months. Phase two covers the construction of the remaining seven vessels at a cost of $30 million.

The vessels in phase one comprise (1) two major survey and research vessels, at a cost of from $5 million to $6 million each, for the Atlantic and Pacific coasts, designed for

work in the Arctic as well as for duty in coastal waters and in the open oceans; (2) two tidal current survey vessels, at a cost of from $3.75 million to $4 million each, one for each coast; third, a research vessel primarily to support the oceanography program of the institute of oceanography at the University of British Columbia, at a cost of $1 million.

Phase two of the shipbuilding program comprises, first, two additional major survey vessels capable of hydrographic and oceanography work in the Arctic and deep waters, at a cost of from $5 to $6 million each; second, five minor survey vessels designed for work in Canada's inshore and inland waters, at a cost of from $1.6 to $2 million each.

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I was very happy to hear the minister give us some details on that shipbuilding program involving research ships for hydrographic and oceanographic work. That statement by the minister tends to continue and to confirm the oceanographic development program instituted by the previous government.

Indeed, Mr. Speaker, it would be well to recall to the house the various phases of the work carried out by the previous administration in these fields, and more particularly the setting up of the Bedford oceanographic centre, near Halifax, Nova Scotia.

The Conservative government also built H.M.C.S. *Hudson*, which was described as a floating laboratory. I am sure the minister will agree with me that this ship is recognized as one of the most modern in that particular field.

The oceanographic and hydrographic programs need to be pushed in Canada. The Conservative party initiated that action and this government is carrying on, but all the Canadians are the ones who will eventually benefit from it.

[*Text*]

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, this is a necessary program and we are pleased with it.

[*Translation*]

**Mr. Guy Marcoux (Quebec-Montmorency):** Mr. Speaker, we welcome the statement just made by the Minister of Mines and Technical Surveys (Mr. Benidickson). Personally, I regret one thing, though I do not know if my colleagues will agree with me. It is that our party did not have the opportunity to initiate a shipbuilding policy in the field of oceanography.

[Mr. Benidickson.]

At any rate, Mr. Speaker, I wish to point out to the house that in the province of Quebec, especially in the Quebec city area, there are many shipyards, and we hope that the department will give some tenderers of this area the opportunity to build some of its ships. In fact, our facilities in that field are very good and it must be noted also that unemployment is quite serious there. Consequently, I ask the government to take this suggestion into consideration, since we have excellent shipyards in the Quebec city area.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, we shall not dally any more to say that we also approve that shipbuilding program as announced today by the government. When it comes to developing our country by peaceful means rather than war instruments, we agree and can only congratulate the government for the statement it has made today.

[*Text*]

## EXTERNAL AFFAIRS

### WEST INDIES—INQUIRY AS TO ADDITIONAL AID

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I should like to direct a question to the Secretary of State for External Affairs arising out of a statement ascribed yesterday to Prime Minister Barrow of Barbados regarding the question of additional aid and assistance to commonwealth countries in the West Indies. The right hon. gentleman recently stated there would be an increase in the assistance to be given under aid programs. Would he give consideration to expanding assistance to our friends and fellow members of the commonwealth in the area adjacent to North America?

**Hon. Paul Martin (Secretary of State for External Affairs):** My answer to the leader of the opposition is in the affirmative. The government will give consideration—I may say the government is giving consideration—to this matter.

## UNITED NATIONS

### SOUTHERN RHODESIA—RESOLUTION RESPECTING ARMS SHIPMENTS BY GREAT BRITAIN

On the orders of the day:

**Hon. Paul Martin (Secretary of State for External Affairs):** Perhaps I could take this opportunity to deal with a question asked me yesterday by the Leader of the Opposition regarding a resolution at the United Nations concerning the shipment of arms to Southern Rhodesia, about which the hon. member for Burnaby-Coquitlam also inquired. The sponsors were 41 African and Asian members in

addition to Jamaica, Trinidad and Tobago, and Yugoslavia. I wonder if the hon. gentleman would agree to my tabling the list of sponsors, in view of its length and in order to save the time of the house?

**Some hon. Members:** Agreed.

## BUSINESS OF THE HOUSE

### REQUEST FOR MEETING OF AGRICULTURE COMMITTEE

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I wish to address a question to the Secretary of State. In view of the ruling by Mr. Speaker to the effect that responsibility lies with the government for convening standing committees of the house, will the government take immediate action to convene the committee on agriculture and colonization?

**Hon. J. W. Pickersgill (Secretary of State):** My understanding is that Your Honour indicated that it was the custom for the chief whip, who is after all not a member of the government, to do this. But I have conferred with the chief whip, and he is doing his best to get this done as quickly as possible.

[*Later:*]

**Mr. Pickersgill:** I wonder if I could supplement the answer I gave to the hon. member for Burnaby-Coquitlam. I have now been informed that a meeting was held at two o'clock today, the very thing the hon. gentleman asked for.

**Mr. Douglas:** A supplementary question. Would the government be prepared to have the house refer to this committee the whole question of prices in Canada as related to bread, flour and wheat?

**Mr. Pickersgill:** That is a matter which the government will have to consider. I cannot commit the government without consultation, but I should be glad to take that question up with my colleagues.

[*Later:*]

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I should like to address a question to the Secretary of State as house leader. My question is supplementary to the statement he made earlier today. Is he aware that a meeting of the agriculture and colonization committee called by me was held at two o'clock this afternoon, and that the committee elected a chairman and vice chairman, passed a motion to print its proceedings, and took other matters of substance into consideration?

**Mr. Pickersgill:** I had heard, Mr. Speaker, that this meeting took place, and I congratulate the hon. gentleman on his initiative and enterprise.

### INQUIRY AS TO COMMITTEE TO CONSIDER BILLS C-83 AND C-84

On the orders of the day:

**Hon. W. G. Dinsdale (Brandon-Souris):** I have a question for the Secretary of State related to the question asked by the hon. member for Burnaby-Coquitlam. Can the hon. gentleman inform the house when a committee will be set up to consider Bills C-83 and C-84, in accordance with a commitment he made to this house on July 8?

**Hon. J. W. Pickersgill (Secretary of State):** I would be glad to make a statement about that. The hon. member for Lapointe was good enough to assure me the other day—I am sure he will not consider this any breach of confidence—that he did not feel there was any need to have a committee set up before second reading was given to the bills. He also indicated that as far as he and his friends were concerned they were prepared to give second reading to the bills whenever the government called them.

I know the former minister of northern affairs is interested in seeing these bills move forward, because they represent his own policy. If we could get unanimous agreement to have second reading of these bills with very limited debate, the government would be only too happy to bring them forward. I say this in the light of a situation which is well known to the hon. gentleman, the situation in the Mackenzie where it is proposed to establish a greater degree of self government. I should be glad to have an opportunity of consulting with hon. gentlemen opposite to see whether, in the circumstances I have mentioned, these bills could not be brought down this week.

**Mr. Dinsdale:** A supplementary question. Does the Secretary of State not consider that these items are of sufficient importance to demand more than a restricted debate? This represents a major step forward in confederation, and I should think it would require maximum consideration.

**Mr. Pickersgill:** I think the hon. gentleman's question deserves a somewhat extended answer. This does pose a serious problem with respect to the timetable of parliament. There are many matters which merit debate, but the time in which debate can take place is limited. In this particular case, because of a special situation which the government inherited—I am not being critical; we approve of the policy the hon. gentleman sponsored—

it is really necessary that this legislation should be dealt with promptly if the policy laid down by the previous government is to be carried out. It is not possible both to have an extended debate and to deal with this matter promptly, and the house will have to make up its mind which it prefers.

**Mr. Erik Nielsen (Yukon):** Since these bills could have been sent to the committee four weeks ago, does the hon. gentleman not think that if they were sent to committee now they could be given the consideration, for a week or for two weeks, which the hon. member for Brandon-Souris has suggested they should receive? Such discussion in committee would probably lead to more unanimity in the house. Let us hear the people of the north before the bills are placed before us here.

**Mr. Pickersgill:** That, of course, would be a wonderful idea if it were not completely contrary to the rules.

## HEALTH AND WELFARE

### PROTECTION AGAINST FOOD POISONING FROM FISH PRODUCTS

On the orders of the day:

**Hon. J. A. MacLean (Queens):** I should like to address a question to the Minister of Fisheries. In view of the warning by the United States food and drug administration that some smoked fish products from the great lakes area contain botulous organisms, what special measures are being taken by the Department of Fisheries to ensure that there is no danger to consumers from botulism present in fish taken from the great lakes and processed or offered for sale in Canada?

**Hon. H. J. Robichaud (Minister of Fisheries):** We are fully aware of the situation, and we deplore the unfortunate poisoning incidents which have occurred recently. The matter is presently under investigation by officials of my department in conjunction with officials of the Department of National Health and Welfare. A complete statement on the situation and on the action being taken by the two departments involved will be made tomorrow.

## NATIONAL DEFENCE

### VAL D'OR, QUE.—POSSIBLE ESTABLISHMENT OF NUCLEAR BASE

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of National Defence.

[Mr. Pickersgill.]

Is work now under way at Val d'Or in order to build an American nuclear base?

[*Text*]

**Hon. Paul Hellyer (Minister of National Defence):** No, Mr. Speaker; no work has been started to erect a United States nuclear base at Val d'Or.

[*Translation*]

**Mr. Pigeon:** A supplementary question, Mr. Speaker. Can the minister—

**Mr. Caouette:** A supplementary question, Mr. Speaker. Can the minister give us the assurance that no work will be undertaken at Val d'Or along those lines?

[*Text*]

**Mr. Hellyer:** The only work that is being done is work for a Canadian base, and I should be very pleased if the hon. member would let me know whether he would like to have it in his constituency or not.

### PROPOSED AFFILIATION OF C.M.R. WITH UNIVERSITY OF MONTREAL

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to put a question to the Associate Minister of National Defence.

Following the request of the St. Jean Baptiste society, does the government intend to recommend the official affiliation of the College Militaire Royal de St. Jean to the University of Montreal, so that the curriculum may be entirely in keeping with the former training of the cadets?

**Hon. Lucien Cardin (Associate Minister of National Defence):** Mr. Speaker, this matter is still under consideration.

**Mr. Pigeon:** It is taking a long time.

**Mr. Dupuis:** It will take less time than under the Conservative administration.

**Mr. Pigeon:** We did not have the time; we were defeated.

[*Text*]

## BRIDGES

### THREE RIVERS—POSSIBLE REVOCATION OF ORDER IN COUNCIL

On the orders of the day:

[*Translation*]

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, may I ask the Minister of Transport a question?

Could the minister tell us whether it is the government's intention to rescind the order in council regarding the Three Rivers bridge

and whether he has met with the authorities of the corporation of the Three Rivers bridge about that matter?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** As to the first question, may I say the matter is under consideration. There is a grave question as to the validity of the order or purported order in council. As to the second matter, I expect to meet with the bridge authorities some time in the next few days.

**Mr. Balcer:** I should like to ask the Minister of Justice a supplementary question. Has his department not given a legal opinion on the validity of this order in council in these last few days?

**Hon. Lionel Chevrier (Minister of Justice):** I am not aware that a legal opinion has been given, but I will be glad to look into the matter.

[*Translation*]

**Mr. Clement Vincent (Nicolet-Yamaska):** Mr. Speaker, may I direct a supplementary question to the Minister of Justice?

Can the minister tell us whether the statement made by the secretary of the corporation, Mr. François Nobert, in Three Rivers last week, to the effect that the Department of Justice had confirmed the validity of that order in council, is true?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I have not seen or read Mr. Nobert's statement in the newspapers, but I will be pleased to inquire and see whether there is any contradiction between his statement and the records of the Department of Justice.

[*Text*]

## FINANCE

### MUNICIPAL LOAN LEGISLATION—AGREEMENTS WITH PROVINCES

On the orders of the day:

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, may I ask the Minister of Finance a question?

Can the minister tell the house whether an agreement has been signed between the government of the province of Quebec and the municipal development and loan board?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I understand that the agreement has been signed by the province of Quebec and is now en route to Ottawa to be signed here.

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, may I ask a supplementary question?

Can the minister tell us whether this agreement provides that federal inspectors will have access to the accounts of the province of Quebec? Has he received a protest from the Quebec government in that connection?

[*Text*]

**Mr. Gordon:** Mr. Speaker, I wonder whether I might be permitted to give a slightly longer answer to this particular question than is usual for me. In section 7 (2) of the Municipal Development and Loan Act, which provisions hon. members may recall were among those included in the bill as a result of the discussions held with the provinces at the conference at the end of last July, there is subsection (d) which provides inter alia that the board will have the right to inspect from time to time any municipal project in respect of which a loan has been made under the agreement. The agreement referred to is the agreement to be made by the municipal development and loan board with the provinces which wish to do so.

The province of Quebec has decided to make such an agreement with the board. From the very beginning of the discussions that the board has had with Quebec and other provinces concerned, a provision has been included in the various draft agreements for inspection of the projects and related records by the board. This is necessary, of course, so that the board will be able to assure parliament that parliament's instructions have been carried out. The provincial representatives after discussion have agreed to this.

I think it should be stated that the board is in no way trying to vary the spirit of what was agreed to with the province of Quebec and the other provinces in July, but is merely carrying out the will of parliament. The Quebec authorities, I am sure, fully recognize this. As I said a minute ago, I am informed that they have signed the agreement and are returning it to Ottawa today to be signed by the federal authorities. I have had no suggestion from the Quebec authorities that they object in any way to the draft agreement. In fact they have agreed to it.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** May I ask the minister if a standard agreement was presented to all the provinces, and how many of the provinces have signed and forwarded agreements to Ottawa for signature?

*Inquiries of the Ministry*

**Mr. Gordon:** There is a standard agreement which has been reviewed, discussed and agreed to by all the provinces, and I am hoping at the end of this week to make a complete report to the house on the status of the various agreements. It is this week that they are being signed, and I am not sure which ones have been signed to date and which ones are still to be signed.

**Mr. Heward Grafftey (Brome-Missisquoi):** A further supplementary question. Would the government consider renegotiating the federal inspection clause at a future time?

**Mr. Gordon:** Mr. Speaker, if the hon. member is referring to the agreement that I believe is just in the process of being settled with the province of Quebec, I do not know why we would now consider suddenly starting to renegotiate it.

**Mr. Ricard:** A supplementary question. Is the minister of the opinion that with this clause included the federal government is respecting municipal autonomy?

**Mr. Gordon:** If this clause is satisfactory to the province of Quebec I would think that the answer would be in the affirmative.

## PUBLIC SERVICE

GLASSCO COMMISSION—IMPLEMENTATION OF REPORT

On the orders of the day:

**Hon. D. S. Harkness (Calgary North):** Mr. Speaker, I should like to address a question to the Prime Minister. Can the Prime Minister now or at an early date give a report to the house on the extent to which the recommendations of the Glassco commission have been implemented by the present government, and what activities are now going forward or are planned in this regard?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, in answer also to a question asked yesterday I wish to say that I will be prepared to make a statement to the house on this matter next Monday.

## AIR TRANSPORT

REPORTED POSSIBILITY OF FARE REDUCTIONS

On the orders of the day:

[*Translation*]

**Mr. Henri Latulippe (Compton-Frontenac):** Mr. Speaker, may I direct a question to the Minister of Transport?

Could the minister inform us about the stand the government intends to take with regard to the recent statement made in Rome by the general manager of the International Air Transport Association to the effect that tariff reduction would solve air transport problems?

[*Text*]

**Mr. Speaker:** I do think this is a question for the order paper.

## ROYAL CANADIAN AIR FORCE

SUMMERSIDE, P.E.I.—ANNOUNCEMENT OF CONTINUANCE OF STATION

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will he be giving us today his promised statement with respect to the R.C.A.F. station at Summerside?

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I am very pleased to tell my hon. friend that the Department of National Defence has no intention of closing the R.C.A.F. station at Summerside. We have a continuing requirement for it for our maritime activities, Atlantic. We are very pleased with the co-operation that the Royal Canadian Air Force receives from the citizens of the island. We acknowledge that co-operation, and I am pleased to tell the hon. member that we are going to carry on.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. Reynold Rapp (Humboldt-Melfort-Tisdale):** Mr. Speaker, I have a question for the house leader because I am not sure to which minister I should direct it. The departure of the NATO delegation has been delayed for seven hours. We will depart at five minutes after ten. Is this on account of hurricane Ginny raging in the Atlantic or is it because of the hurricane that took place in the House of Commons last night?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I am not very well informed about this matter. I do not know what the reason is, but I hope it is that hon. members are coming to realize that their first duty is in this house.

## HOUSING

C.M.H.C.—REPORTED RAISING OF RENTS FOLLOWING PENSION INCREASE

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 National Revenue. Is there any basis for the complaints being received that rentals are being increased by Central Mortgage and

Housing Corporation, and that these increases have a direct connection with the increase in the amount of the old age pension?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I should like to thank the right hon. gentleman for giving me notice of a question on this general subject but not along the lines of the question he has just posed. I have a list here, if he is interested in it, of the areas where increases have been effected since June 15, the period of time to which he has referred in his notice. I am glad to tell him that the majority of these increases are automatic and result from increases in municipal taxes.

In view of the detail involved as to places, amounts and the reasons in each case, I wonder whether he would agree to my tabling this list.

**Mr. Diefenbaker:** Possibly it could be put in *Hansard* as part of the answer in order to save the time of the house.

**Mr. Speaker:** Is the house agreed?

**Some hon. Members:** Agreed.

[*Editor's note: The document referred to above is as follows:*]

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CENTRAL MORTGAGE AND HOUSING CORPORATION
HOUSING PROJECTS

Increased Rental Rates Since Mid-June, 1963

| Location | Amount of Increase Per Unit, Per Month | Reason for Increase |
|---|---|---|
| Saint John, N.B. | $ 5.00 | To cover the excess of operating costs over revenue. |
| Nitro, Que. | 4.00 | Increased cost of public services. |
| Sept Iles, Que. | 10.00 | To cover the excess of operating costs over revenue. |
| Brantford, Ont. | $ 1.00- 1.50 | Increased municipal taxes. |
| Guelph, Ont. | 1.00 | " " " |
| Hamilton, Ont. | 3.50- 4.00 | " " " |
| Kitchener, Ont. | 1.50 | " " " |
| Niagara Falls, Ont. | 3.00- 5.00 | " " " |
| Wingham, Ont. | 2.00- 2.50 | " " " |
| Arnprior, Ont. | 1.00 | " " " |
| Bracebridge, Ont. | 1.00- 1.50 | " " " |
| Campbellford, Ont. | 7.00 | " " " |
| Toronto, Ont. | 1.00- 1.50 | " " " |
| Etobicoke, Ont. | 1.00 | " " " |
| Meaford, Ont. | 1.00 | " " " |
| Newmarket, Ont. | 1.50 | " " " |
| Oakville, Ont. | 1.00 | " " " |
| Orillia, Ont. | 1.00 | " " " |
| Owen Sound, Ont. | 1.00- 1.50 | " " " |
| Peterborough, Ont. | 1.50 | " " " |
| Windsor, Ont. | 1.00- 1.50 | " " " |
| Red Deer, Ont. | 1.00 | " " " |
| Transcona, Man. | 1.00 | " " " |
| Cumberland, B.C. | 1.00 | " " " |
| Victoria, B.C. | 1.00- 2.00 | " " " |

CENTRAL MORTGAGE AND HOUSING CORPORATION
HOUSING PROJECTS

Decreased Rental Rates Since May 1, 1963

| Location | Amount of Decrease Per Unit, Per Month | Reason for Decrease |
|---|---|---|
| Atikokan, Ont. | 10.00- 15.50 | To equate with market rental rates. |
| Ville St. Michel, Que. | 6.00- 10.00 | " " " " " " |
| St. Laurent, Que. | 1.00- 10.00 | " " " " " " |
| Montreal, Que. | 1.00- 7.00 | " " " " " " |

*Inquiries of the Ministry*

**Mr. Garland:** With respect to the question now posed by the hon. gentleman, may I say there have been no increases in elderly citizens projects since I made my announcement around the middle or early part of September.

## PENSIONS

INQUIRY AS TO CONSIDERATION OF LEGISLATION THIS SESSION

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 assurance given yesterday to the national Liberal women's federation by the Minister of National Health and Welfare that the Canada pension plan will be proceeded with either at this session or at the next session, will the Prime Minister tell us which it is to be, this session or next?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I should like to confirm what I have said more than once, that it will be proceeded with as soon as possible. My hon. friend asked the other day whether I would be in a position soon to make a statement on this matter.

I propose to do that next Monday, and to relate this statement to our proposals for the future conduct of the work for the remainder of this session.

**Hon. J. W. Monteith (Perth):** May I ask a supplementary question. Would the Prime Minister care to indicate what steps the government is taking to negotiate a Canada pension plan with the province of Ontario?

**Mr. Pearson:** We have been having some discussions with the province of Ontario and other provinces which have brought up points arising out of the last meeting we had with them on this matter.

**Hon. Michael Starr (Ontario):** I should like to ask the Prime Minister if in considering this statement he proposes to make on Monday next he would consider announcing the intention of the government in respect of the projection of family allowances beyond the age of 16 for educational purposes?

**Mr. Pearson:** I will be talking about the business of the house, Mr. Speaker, and what we wish to do during the balance of the session.

## WORLD FAIR

POSSIBLE AMENDMENTS TO ACT OF INCORPORATION

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I have a question for the Prime Minister concerning the world fair. Does the Prime Minister intend, in the near future, to suggest amendments to the act to establish the Canadian world exhibition corporation?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Yes, Mr. Speaker.

**Mr. Valade:** May I ask a supplementary question. Can the Prime Minister tell us what the nature of these amendments will be?

**Mr. Pickersgill:** Wait and see.

## INDIAN AFFAIRS

TRANSFER TO PROVINCES OF JURISDICTION OVER HEALTH MATTERS

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to ask the Minister of National Health and Welfare what progress she is making in attempting to have the jurisdiction over health and related services in relation to Indians transferred to the various provinces.

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** I am afraid the question is too broad to be answered on orders of the day. I shall be very happy if my hon. friend would raise it at the time my estimates are before the house.

**Mr. Howard:** May I ask a supplementary question. Will the minister tell us whether her estimates are going to be brought before the house by herself, or will there by some other minister answering for the department?

## NORTHERN AFFAIRS

NORTHWEST TERRITORIES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER

On the orders of the day:

**Mr. Gene Rheaume (Northwest Territories):** My question is for the Minister of Northern Affairs and National Resources, and it arises out of press reports to the effect that the executive vice president of the Liberal association of the Northwest Territories is in the process of being appointed commissioner of the Northwest Territories. Will the minister take the house into his confidence and advise whether he intends to make this appointment, or whether such a commitment has been made?

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** The hon. member should know that I would refuse to answer such a question. There are bills that are still to come before this house, and which must pass this house, before any commissioner for the territories can be appointed. I accept no responsibility for the statements in the

press. I know nothing about them. Certainly when the time comes to appoint a commissioner we will appoint the best commissioner that we can obtain from any source.

ALASKA HIGHWAY—INQUIRY AS TO PAVING

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** I should like to address a question to the Secretary of State for External Affairs. In view of the fact that Mr. Delmar R. Carlson, the officer in charge of Canadian affairs in the United States administration has purported to announce the Canadian government policy—I refer the minister to the portion of the letter which I read to him earlier on my question of privilege—will the minister or his colleague the Minister of Northern Affairs and National Resources tell the house what the policy of the Canadian government is in respect of the paving of the Alaska highway?

**Hon. Paul Martin (Secretary of State for External Affairs):** In so far as this question relates to the department over which I preside, I have already indicated that I propose to examine the reply given earlier in the light of my hon. friend's comment.

## ADMINISTRATION OF JUSTICE

REVIEW OF SECURITY PROCEDURES—EFFECT ON UNIVERSITY INVESTIGATIONS

On the orders of the day:

**Mr. David Orlikow (Winnipeg North):** I should like to ask the Prime Minister whether the principles he enunciated last Friday with regard to security investigations will result in any changes in the procedures recently followed at universities. I ask this in relation to representations made to the Prime Minister by university professors and student organizations.

**Right Hon. L. B. Pearson (Prime Minister):** The changes in the regulations as such would not, as I understand them, apply to the problem of the universities that has been in the minds of some hon. members concerning activities on the university campus. We have discussed this special problem with representatives of the universities, and we hope to meet them again next week to discuss with them the new regulations and any matters arising out of them which would concern the universities.

## HOUSE OF COMMONS

RAYMOND RODGERS—INQUIRY AS TO PRESS GALLERY PRIVILEGES

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** I should like to ask the house leader a question in which you, Mr. Speaker, have an interest. I ask it of you and the house leader as a member of the commission on internal economy. I want to know whether there is any possibility of a quick resolution of a long standing situation whereby the parliamentary correspondent of the St. Catharines *Standard* has been excluded from the facilities supplied by the crown in this parliament.

I should like to explain that this is not a matter of urgent national importance, but some of us want to take some further action through the machinery available, and we need an answer to this question before we do.

**Hon. J. W. Pickersgill (Secretary of State):** I would have no idea what kind of answer to give. If Your Honour can throw any light on the matter I would not wish in any way to prejudge your decision.

**Mr. Speaker:** I appreciate very much the interest taken by the hon. member for Port Arthur in this difficult situation. I wish to assure him that although it is taking a considerable time to reach a right and just decision involving not only a certain gentleman in question but the whole matter of principle, there are many urgent matters which require immediate attention from day to day, as hon. members will appreciate. There has not been sufficient physical time to make the proper study which the case merits, and which is so much in the mind not only of the Speaker but of other persons concerned in the matter.

I wish to assure the hon. member that just as soon as it is physically possible to give the proper time and attention to this really serious matter of principle, it will be done, and I hope a just decision rendered.

INQUIRY AS TO SITTING ON REMEMBRANCE DAY

On the orders of the day:

**Mr. F. J. W. Fane (Vegreville):** I should like to ask the Prime Minister if, when he is considering his statement about the future work of this house, he will consider declaring Monday, November 11 a holiday for all Canadians as well as for the members of this house and the people who work in the House of Commons.

**Right Hon. L. B. Pearson (Prime Minister):** I may be wrong, but I think November 11, a day which means so much to so many people, is already a legal holiday. I believe the best way that parliament can show its observance of this day would be by working.

*Inquiries of the Ministry*

## PENITENTIARIES

### ST. VINCENT DE PAUL—ASSAULT OF INMATE BY GUARDS

On the orders of the day:

**Hon. Lionel Chevrier (Minister of Justice):** Yesterday at the request of the hon. member for Vancouver East, as well as in answer to a question which was posed by the hon. member for Brome-Missisquoi and I think one other hon. member, I agreed, with the unanimous consent of the house, to table a statement with reference to the Gunn case. I do so now.

**Mr. Fisher:** May we have it in *Hansard*?

**Mr. Chevrier:** If that is the wish of the house I have no objection.

**Mr. Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

[*Editor's note: The statement referred to above is as follows:*]

In consequence of the newspaper publicity concerning the alleged beating of Alvin Gunn, an inmate of St. Vincent de Paul penitentiary, I requested the commissioner of penitentiaries to cause an inquiry to be made into the facts of the case. He reports to me as follows:

In January 1962 Alvin Gunn was transferred from Kingston penitentiary to St. Vincent de Paul penitentiary. He is described as a boxer and an aggressive individual. During the riot at St. Vincent de Paul penitentiary in June 1962, he was identified by nine different witnesses as a ringleader of the rioters. He struck a senior keeper on the neck with sufficient force to cause his mouth to bleed. He appeared for trial this month, pleaded guilty and was sentenced to one day's imprisonment concurrent with his present sentence. During the proceedings of the trial, he described the brutal beating that he alleges was given to him by penitentiary guards following the riot.

On June 22, 1962, 70 inmates of St. Vincent de Paul penitentiary were reported as being prominent among those rioting. They were dissociated from the main prison population. Gunn was taken to the dissociation area by five officers who, at this time, cannot be positively identified.

On June 24, 1962, Warden LeCorre heard that Gunn was in hospital and visited him there. Gunn answered the warden's question as follows: "I have been beaten up, Mr. LeCorre, look at me; but I gave them quite a good fight."

Warden LeCorre had been appointed to St. Vincent de Paul penitentiary only two weeks before the riot broke out. He knew few of the officers and he was forced to follow the procedure laid down by his predecessor. He had heard rumours of "goon squad" and "muscle men" in the institution, but had not time, prior to the riot, to investigate.

After his interview with Gunn, he attempted to find those responsible for beating him up, but was not helped by the staff and Gunn could not name his assailants. As his inquiry was getting nowhere, he issued, on June 28, 1962, a directive to the staff, in which he stated, in concise terms, that brutality would not be tolerated. The directive stated, inter alia:

[*Translation*]

"It is not a matter of settling personal scores or of brutalizing those who took part in the riot. I do not want any unfortunate incident on the part of officials. Those who make abusive use of force, especially when it is not necessary, lower themselves morally in the eyes of all. To punish or harm anyone in any way will not solve any problem and, on the contrary, will create new difficulties we certainly do not need. Let justice take its course, even if sometimes you find it too slow or too lenient. Not only is it not your responsibility to solve that problem, but you will only interfere with it if you act unwisely.

It is a matter of restoring order as well as fair and equal discipline in the institution, and we start immediately."

[*Text*]

In July 1962 an official inquiry was held at St. Vincent de Paul penitentiary to inquire into the circumstances surrounding the riot. Gunn volunteered as a witness and appeared before the board on July 25, 1962. He gave approximately 2,000 words of testimony and the only reference he made to a beating is as follows: "I was not a victim of that 'goon squad'. A few days after that 'bingo' I was the No. 1 victim." He did not pursue the point and the board of inquiry, being more interested in the causes of the riot, did not question him further on it. It should be noted that Gunn appeared before the board on July 25, 1962 and, except for a skin abrasion on his face, seemed in good physical condition.

The warden interviewed Gunn on other occasions between July 1962 and October 1963 and never was the beating mentioned.

The commissioner, in his report to me, repeats a report made to him by the regional director of penitentiaries for Quebec:

"It is my impression the officers guilty of unlawful and excessive use of force in the case of inmate Gunn (and possibly other inmates) during the critical period which

followed the riot of June 16, 1962, were members of the so called "goon squads" which operated inside the institution prior to the appointment of Mr. LeCorre as warden and which were referred to on several occasions in the course of the investigation into the riot carried out under the chairmanship of the director of inmate training, Mr. J. C. A. LaFerrière, last summer."

Warden LeCorre has not allowed excessive use of force in St. Vincent de Paul penitentiary.

This most unfortunate incident emphasizes the need for a proper staff training program in the penitentiary service. I am pleased to announce that, on October 8, 23 young recruits for the penitentiary service in the Quebec region commenced eight weeks formal training at the Quebec penitentiary staff college prior to commencing work inside the institutions. This period of training for all newly joined custodial officers will, as soon as possible, be increased to three months.

The new staff training program, which will be country-wide by April next year, should do much to preclude incidents similar to this one at St. Vincent de Paul, which, in themselves, are the result of staff not trained properly to perform their duties.

## SUGAR

STEPS TO ENCOURAGE CANADIAN SUGAR BEET INDUSTRY

On the orders of the day:

**Mr. W. H. A. Thomas (Middlesex West):** Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the present tight world sugar supply, is the government willing to consider additional encouragement and stabilization of the sugar beet industry in Canada with a view to expanding our domestic supply of sugar?

**Right Hon. L. B. Pearson (Prime Minister):** This question involves, of course, an important consideration of government policy with which I could not deal on orders of the day. If my hon. friend will put this question on the order paper I will do my best to get him a comprehensive reply.

## AGRICULTURE

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

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 without Portfolio, who is the future minister of agriculture for eastern Canada, and it looks as if he is going to remain a "future minister" for a long time.

Could the minister tell us if he supports the request made by 55,000 eastern farmers for a federal agency to look after the transportation, storage, pricing, control and purchasing of feed grain for eastern Quebec or eastern Canada?

**Hon. Rene Tremblay (Minister without Portfolio):** Mr. Speaker, the brief submitted by the Catholic farmers' union of the province of Quebec is now being studied by the Department of Agriculture and a new policy will be announced by the Minister of Agriculture in the near future.

[*Text*]

## SUPPLY

The house resumed, from Monday, October 28, consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Churchill and the amendment to the amendment of Mr. Caouette.

ABANDONMENT OF DEFENCE PROJECTS AND INSTALLATIONS

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, the right hon. Prime Minister of Canada stated, on October 9, speaking precisely on the storing of nuclear arms in Canada, in answer to the present Leader of the Opposition:

> If the right hon. gentleman—

And at that time, the Prime Minister was referring to the present Leader of the Opposition—

> —will raise this question on the supply motion next Monday, we can go into the record.

Now, Mr. Speaker, this question of nuclear arms is raised on a motion that the house go into committee of supply. Therefore, we hope that the Prime Minister will take this opportunity to go into the record regarding the storing of nuclear arms on Canadian soil and that he will clear up the matter. It is not the only time that such a promise has been made.

On May 23, 1963, the hon. member for St. Maurice-Lafleche (Mr. Chretien)—and I quote from the official report for May 23, at page 187—said:

> I believe that problem is important, and the Prime Minister undertook to give us an opportunity for a full debate, not only an afternoon sitting.

Well, Mr. Speaker, we have today the opportunity to discuss that problem. I see that the hon. member for St. Maurice-Lafleche nods assent to what he said then, but I find that, at page 187, right hand column, he also stated:

During the campaign, I took a position by saying that I was against nuclear arms.

That is what the hon. member for St. Maurice-Lafleche said on May 23, 1963, as reported in *Hansard* at page 187, right hand column.

**Mr. Jean Chretien (St. Maurice-Lafleche):** Mr. Speaker, on a question of privilege. I would like the hon. member for Lapointe to read in full the sentence he has just begun to read, in order to report exactly the remarks made by the hon. member for St. Maurice-Lafleche, according to the record of that day.

**Mr. Gregoire:** Mr. Speaker, I must admit frankly that the text from the member for St. Maurice-Lafleche is four pages long and I do not think it is important enough to deserve a full reading.

Mr. Speaker, it means one thing, and it is that the members from the province of Quebec themselves—since the member for St. Maurice-Lafleche said it repeatedly—have stated they are opposed to the storing of nuclear weapons on the territory of the country, and especially on the soil of the state of Quebec.

Mr. Speaker, the Liberal members will have the opportunity, tonight, by their vote on the subamendment proposed by the Ralliement Creditistes, to express their opinion flatly, categorically and clearly against the storing of nuclear weapons on Canadian soil.

The Minister of National Defence told us yesterday we had made commitments, and he added: However, to be useful to us, they—that is, the Americans—furnished what they believed at the time was a semblance of protection. Therefore, the Minister of National Defence himself thought that the Bomarcs and the Voodoos were a semblance of protection. It is thus for a mere semblance of protection that we would jeopardize the role that Canada could play for world peace, and nuclear disarmament.

Mr. Speaker, the commitments were referred to on both sides of the house here. When the Liberals were in the opposition they requested the party in power to table the commitments of the Conservative party, but as soon as the Liberals assumed office, they, in turn, were requested by the Conservatives to table, to make public the same commitments.

If the Liberals refuse or object and contend that it is not the way to promote public security, there is a continuing contradiction on both sides of the house.

Those commitments were never produced, because they do not exist. As we said yesterday and continue to state today, Canada's part is a peace role through a disarmament program at home—



**Mr. Chretien:** Mr. Speaker—

**Mr. Gregoire:** This is the second time he stands up.

**Mr. Chretien:** The hon. member for Lapointe has quoted words I said in this house. His quotation was as follows:

During the campaign, I took a position by saying that I was against nuclear arms but that if Canada had been committed to acquire them by the Conservative government, I did not want the Liberal government to fail to respect those commitments, or to do in public life what we do not do in private life.

It is a question of privilege and honesty. The hon. member for Lapointe should at least read the whole paragraph, and not only two parts of a sentence. I demand that the hon. member for Lapointe retract by reading the whole sentence.

**Mr. Gregoire:** Mr. Speaker, there is one point that the hon. member for St. Maurice-Lafleche has forgotten, and it is that this government never proved that Canada had committed itself under the preceding administration. The hon. member for St. Maurice-Lafleche—

**Mr. Chretien:** It is a question of privilege.

**Mr. Gregoire:** How do you expect me to answer your question of privilege? If Canada had been committed by the Conservative government, has it been proved that there had been a commitment? No evidence has ever been submitted in that respect. There has never been any evidence submitted to the house that commitments had been made by the Conservative government of the time with regard to the storage of nuclear weapons in the country.

If the hon. member for St. Maurice-Lafleche wants to be honest, he will admit that these commitments have never been proven and that the sentence—

**Mr. Chretien:** The hon. member for Lapointe gives me the opportunity to ask for explanations—

[*Text*]

**Mr. Speaker:** Order. I think that is quite enough argumentation between two hon. members, and I suggest we get on with the subject at hand.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I am very, very conscious, indeed, that the motion which is being discussed today cuts to the quick certain hon. members from the province of Quebec.

We still remember what the hon. members said during the last election campaign. They proclaimed: "Nuclear weapons, no, but work for everybody, yes." This slogan was repeated by representatives of all the political parties in the house, and more particularly by the hon. members of the Liberal party.

These same representatives—again mostly on the Liberal side—have now an unhoped for opportunity to leave once and for all a servile and subservient party.

In the motion, we said:

—subserviently agreeing to the storing of nuclear arms.

Mr. Speaker, I would like, in a few words, to establish that the Liberal party is indeed subservient, obsequious to financial interests; I hope that the Liberal members might then see things more clearly, and vote against the subserviency of their party to big financial interests.

And we notice this subservience within the Liberal party by the acquisition of nuclear arms, even though the people of Quebec do not want them on their territory.

It is to be noted also that the Liberal party dawdles as much as it can in order to maintain all the international sugar trusts.

You have noticed also that since the new session the present government managed, in its subservience to high finance, to impose an 11 per cent sales tax on building materials. This is another example of its subservience to the financial community.

The Liberal government found it possible also to increase the income tax rate by 1 per cent. And the yearly budget deficit will hit a new high.

What about unemployment? It is well known that the province of Quebec has 40 per cent of the total number of unemployed in Canada, that the unemployment situation is not improving and that eastern farmers are constantly flouted by the servile government we have at present—

**Mr. Jean Pierre Côté (Longueuil):** Mr. Speaker, I rise on a point of order.

**Mr. Speaker:** Order. The hon. member for Longueuil rises on a point of order.

**Mr. Côté (Longueuil):** Mr. Speaker, in my opinion, the hon. member for Lapointe is out of order since there is no connection between his remarks and the amendment or the subamendment under consideration.

**Mr. Gregoire:** Mr. Speaker, I feel that my remarks are relevant since the subamendment deals with the servility and the subservience of the Liberal party and that is precisely what I want to prove.

Whether they like it or not, this increases their subservience in the nuclear field.

Mr. Speaker, I was speaking about the lot of the eastern farmers who are scoffed at and whose claims are ignored by the present government.

We also note the servility of the present government in other fields. In fact, it is sufficient to consider the patronage being practised at the present time by the Post Office Department.

[*Text*]

**Mr. Berger:** Mr. Speaker, would it be possible for the hon. member from Lapointe to come back to defence and the subamendment, and stop insulting in vulgar terms honest people on this side of the house?

[*Translation*]

Mr. Speaker, I ask the hon. member for Lapointe to continue his observations in a more polite manner.

**Mr. Gregoire:** Mr. Speaker, I admit that the truth hurts, especially when you are not the shepherd, but just one sheep in the herd.

Another evidence of the servility of the Liberal party is the patronage now going on in the Post Office Department; it is claimed to be a good patronage although it is nothing but shameless patronage.

And how about the centralization carried out by this government in every area?

That, Mr. Speaker, is the sad record of a really sad Liberal government over the last six months.

Members of the Liberal party, now that we are unfolding under your eyes the deplorable achievements of your government in less than six months—and believe me, real genius was needed to do so badly in so little time—we are going to read to you once again what the electors in the province of Quebec think of it. This is an editorial published last July 3 in *La Terre de Chez Nous,* a farm newspaper:

The Catholic farmers' union wishes to join with all the voices which in all objectivity and in good faith objected to the acquisition of nuclear arms by our country. The C.F.U. invites the government authorities, the town councillors, the representative groups and all the citizens to take a similar stand.

Mr. Speaker, we want the government to consider these remarks. We heard all social classes demand that our country do not accept the stockpiling of nuclear arms on our territory.

The part we ought to play should favour nuclear disarmament.

Mr. Speaker, the Liberal women of Canada are just now holding a convention in Ottawa, and they must feel embarrassed by the fact that the Liberal party declared itself in favour of acquiring nuclear destructive arms, whereas we know that the mothers of families objected to our acquiring such means of

annihilation. This glimpse of our country's future is hardly an enviable prospect.

**An hon. Member:** Do not make us cry.

**Mr. Caouette:** You are going to cry all right at the next election, do not worry.

**Mr. Gregoire:** Mr. Speaker, without getting sentimental, but to come back to hard facts, I think that all hon. members of the province of Quebec—and I appeal to them now—should make it their duty vigorously to protest against the acquisition, by this country, of nuclear arms or the stocking of such nuclear arms on the territory of the state of Quebec, by voting with courage and determination in favour of the subamendment we introduced.

If they do so, they will deserve the respect and consideration of their fellow citizens. On the other hand, if they abstain from doing so, they will be blamed for their action all their lives.

Let them learn to stand up. Serpents love to crawl on their bellies, but the proper attitude of man is to stand erect. It is, indeed, a happy feeling to stand up, but some men go on crawling like poisonous snakes.

[*Text*]

**Mr. Lawrence E. Kindt (Macleod):** Mr. Speaker, I wish to say a few words at this time with respect to the Penhold airport. It was said during yesterday afternoon's debate that this R.C.A.F. station is being seriously considered for closure by the Minister of National Defence. However, many things remain to be said, and I wish to put on the record some of the economic factors which, as a perusal of the record will show, will be consequent upon such closure.

The Penhold airport is a well developed base which cost in the neighbourhood of $40 million to $50 million. If any hon. member has seen the base he will bear me out when I say that the living accommodation there is second to none; the dwellings constitute the finest in living quarters. All of this cost a tremendous amount of money, in addition to the provision of runways, hangars, and all the other facilities necessary to an airport.

If this Penhold airport were to be scrapped, what would be the scrap value? Having had some three years of experience with airports which were sold through Crown Assets Disposal Corporation, I can tell the minister that the scrap value of Penhold once it has been closed would be not more than 10 cents on the dollar. If three years pass and the paint starts to peel and other things go wrong, the scrap value will be about 5 cents on the dollar. That was the experience at Fort Macleod airport, at the Vulcan airport, and also at the Claresholm airport. All these airports had splendid locations, with wonderful runways which could be lengthened to accommodate jet flying without trouble because the airports are located in areas where the ground is as level as a billiard table.

If freedom of airways and safety are factors, Mr. Speaker, why not take a good look at Claresholm or Fort Macleod as a jet base? If it is a question of saving money and greater safety, why not take a look at either of those two airports? However, I am of the opinion that it was neither a question of safety nor, in the strictest sense, a financial consideration; it was other considerations which led the minister to make his decision regarding Penhold, and I intend to go into some of them.

**Mr. Marcoux:** Mr. Speaker, on a point of order, it seems to me that the hon. member's speech is completely irrelevant to the subamendment which is now before the house. I suggest that he direct his remarks to the subamendment.

**Mr. Kindt:** Perhaps my hon. friend's intervention is completely irrelevant too. Adjacent to Penhold is the city of Red Deer. That city has become adjusted to a $4 million pay roll. Over 700 service personnel are located at Penhold and there are 250 civilians. The Department of National Defence has encouraged the Vista village community, which consists of 60 large units many of which are now occupied by R.C.A.F. officers. The Department of National Defence has guaranteed a ten year occupation term to the builder. Why was it not known ahead of time that the government was going to close the base, before all this additional equipment was provided?

Fifteen miles east of the airport and connected to it by a new government built road is a multi-million dollar radar station which is tied in with R.C.A.F. activities. Adjacent to the airport are two other huge defence installations, an underground shelter for heads of government in case of attack and a communications centre which would take care of the province's communications work also in the case of attack. If that station were closed it would mean a loss of $4 million to the area. It would mean about $1 million loss in housing construction, and it would mean hundreds of thousands of dollars lost through repairs and maintenance. Above all, the building trade of the area would be dealt a mortal blow. The excess of housing would be apparent to anyone, and the future of the building trade in the area is likely to feel the effects for many years to come.

This airport was approved by the former government, and it was also approved by this government, for operation as a jet training base. The minister said that Penhold is the logical site for a jet training base, and the people of Red Deer, from the information I have been able to gather, are still infuriated over the decision of the Minister of National Defence. Let me put on the record what they are saying, as appears in an article in the Edmonton *Journal* of October 1, 1963:

> Despite his—

—meaning the minister—

> —denials it seems fairly obvious that it is pressure from Calgary and Edmonton, funnelled into the cabinet through agricultural minister Harry Hays, that has caused the change in plans. Mr. Hellyer has fired a torpedo into the economic life of Red Deer and central Alberta.

The minister has advanced as a reason for closure the matter of safety. Let us take a closer look at that. Take, for example, the Winnipeg base. All hon. members at one time or another have no doubt flown out of the Winnipeg base, and are well aware of the fact that huge airliners carrying more than 100 passengers are only a few hundred feet above residential areas when climbing into the air. So far no one has suggested that the Winnipeg airport ought to be closed. Mention has been made of a 20 mile buffer zone, but nowhere in the regulations of the department of defence or the Department of Transport is there any reference to a 20 mile buffer zone. Therefore I ask what foundation there is for the suggestion that safety is the overriding factor. As I understand the buffer zone idea, it means between the air space allocated for jet training, and controlled air space. They argue that it did not leave sufficient air space for jet training to be carried out. This provided a good talking point for the public and an easy point to sell to the public, and was used as an excuse for closing the airport. If safety is the factor involved here, are the same rules to be applied elsewhere in Canada? Is this safety factor, which has been seized upon here as a precedent, to be the overriding factor to be considered from one end of Canada to the other? If it is, I wish the minister and his officials would take a look at what is happening at Moose Jaw, Portage la Prairie and Gimli. These places do not have a 20 mile zone. I should say not. Take the case of Moose Jaw which is only eight miles from one of the busiest airways in Canada. Portage la Prairie is less than 15 miles from the busy Trans-Canada Air Lines route. Gimli is about 12 miles from the main airway. Each of these airports is within 20 miles of the main airway. In view of this does the minister continue to rely on this one factor as his excuse for closing down Penhold, or does he intend to think up another manoeuvre which, he hopes, will get him off the hook?

Civilian air training is another matter which has been mentioned. Well, this is going on in every airport in Canada. Students with only six hours' training are landing and taking off at all airports which big jets are using. How can it be said that safety is the overriding factor which caused the minister to issue the order concerning Penhold? Did these considerations of safety only just come to life, despite the fact that the whole matter has been under review for many months? The Department of National Defence knew, and the minister knew, that planes were flying between Calgary and Edmonton on regular routes before they called for tenders to increase the length of the runways. They knew these facts before they called for bids to construct additional buildings. How, in the name of good sense, can the minister come before us now and say that the overriding factor responsible for his decision was the question of safety? The hon. gentleman has known about the situation there ever since he became minister.

The people of the Red Deer area are firmly convinced that there is a nigger in the wood pile, that some other consideration is involved. What they are after is to find out a little more about the unexplained motives. There are reasons which still remain hidden, in the opinion of many people. I have before me an article which appeared in the Edmonton *Journal* of April 1 entitled "Safety? That Excuse is Nonsense". Here is what it says:

> Central Alberta has been sold short by Mr. Hellyer for political purposes and the repercussions will be felt for many years to come.

To illustrate once again feelings of the local people, I wish to quote from the Calgary daily *Herald* of October 2, 1963 in which an article appeared stating:

> The Red Deer chamber of commerce strongly suggests that the reasons given for the government's reversed decision are evasive, and that we have a right to know the background of so serious a matter to our economy. We intend to pursue this matter until we are satisfied not only for our own selfish reasons but for all the taxpayers of Canada.

The people of the Red Deer area have adjusted their economy to the presence of this airport, and what is taking place there will vitally affect their well-being.

May I say in conclusion that, although the interests of safety have been advanced as the overriding reason for closing this airport, we feel there must be other factors. We have not yet heard the minister tell us in detail how the safety factors are to be applied to other airports—whether the same ground-rules are to be used in all the airports of Canada. The inconsistencies in this respect

certainly destroy the argument that safety is the overriding princpile behind the closing of this airport. The motive of safety is simply being used as a flimsy excuse. The people want to know from the Minister of National Defence and from the Minister of Transport what the reasons really are—and I mean the reasons deep down—which have caused the government to bring forward this decision concerning Penhold.

**Mr. Andrew Brewin (Greenwood):** Mr. Speaker, I have a feeling that this debate is untimely and premature. My reason for taking this attitude is the fact that the special committee on defence has not yet produced a report which can be intelligently discussed in this house. For this, the committee can hardly be blamed. It was given a heavy task to perform and it hopes to be able to make a report in December.

In the second place, the minister has given us no statement of policy relating to Canadian defence, nor any indication of an over-all military doctrine in the light of which the decisions of the government announced from time to time could be properly considered. In all fairness, we cannot condemn the minister for this failure. I would be the first to complain if he, disregarding the committee on defence, were to announce his version of Canada's defence role. He has promised a white paper on defence by January and I hope by that time—

**Mr. Kindt:** On a point of order, is the hon. member who now has the floor making a speech or is he calling attention to some irregularity in our procedure?

**Mr. Speaker:** The hon. member for Greenwood stood up to make a speech.

**Mr. Brewin:** I did not hear the interruption.

**Mr. Knowles:** You did not miss much.

**Mr. Brewin:** I was pointing out that we were debating in a vacuum because we have not heard a statement on military policy from the minister. I have said that no blame attaches to the hon. gentleman in that regard. Speaking for myself, I believe we must reject the amendment moved by the hon. member for Winnipeg South Centre (Mr. Churchill) because he has made it quite clear, implicitly if not explicitly, that in his view the whole purpose of the defence committee has been frustrated by announcements made by the minister. I do not share that view, and I do not accept the defeatism and pessimism of the hon. member for Winnipeg South Centre with regard to the work of the committee. It is my conviction that, notwithstanding any statements made by the minister or leaks to the press from his office, some of which I regret, the defence committee still has a vitally important role to play in helping to develop something which has been so sadly lacking in the whole Canadian defence picture. The fundamental lack in the past has been a clear definition of what Canada's defence role should be. Until that is decided we are going to continue to flounder around with piecemeal and often misguided decisions, with cancelled programs and with tremendous economic waste. It is to supply this need for a statement and a clear definition of Canada's role that I believe the defence committee can be of real value.

We have had before that committee already distinguished, capable and experienced witnesses. Nearly every one of them has stressed the need for a clearcut decision as to Canada's defence role and an up to date appraisal of the kind of war or conflict in which Canada's forces are likely to be called on to engage in or play a part, and where they can fit in.

I should like to refer to three of the witnesses in this regard. I do not propose to discuss their evidence in detail. That, of course, is a task for the committee to concern itself with. However, I should like to refer to the evidence of General Foulkes, former chief of the general staff of Canada and a distinguished soldier. As found on page 501 of the evidence before the defence committee he said that these are the questions that have to be considered:

> What will be the defence requirements in the seventies? Where and from what direction will any challenges to the peace be likely to occur in the next decade? What will be the state and condition of our alliances on which we now depend for our security and to which we make defence contributions? What should be the character, size and composition of our contributions to these various organizations in the seventies? These are some of the questions that must be considered or at least some indications of the answers foreseen before decisions are taken as to whether frigates, submarines, aircraft or Bobcats should be ordered.

I venture to supplement what General Foulkes has said by saying that individual, piecemeal decisions without answering the sort of questions that the general has posed will continue to produce chaos in this particular field. As found on page 506 General Foulkes spoke of his answers to some of these questions and I want to refer very briefly to them. He said:

> Now I should like to state some conclusions. Once the long term aims and objectives of the defence policy are determined, it is then possible to derive some guidance as to the equipment and manpower to implement such a policy. From the foreseeable trends, there are strong indications of a movement away from making preparations to fight a major war in Europe and tending toward the more flexible and mobile roles of preventing wars from breaking out in the NATO area, or anywhere in the world under U.N. auspices.

To fulfil any of these roles will require flexible, highly mobile, well trained, lightly equipped forces at high states of readiness and efficiency. This kind of requirement suits Canadian aptitudes and aspirations. It allows Canadian industry an opportunity to provide the equipment and avoids the needs for heavy imported items such as tanks, armoured carriers and nuclear support weapons.

Another very distinguished soldier gave evidence before our committee, Lieutenant General Simonds. I am going to refer only briefly to his evidence. As found on page 453 of the evidence before the committee he acceded to this proposition which he had written some time before:

In the first place, Canada has been muddling along on defence, in the second place, it has been too much influenced by the Pentagon.

He went on to make it clear it was his view that if Canada applied independent thinking to the problem it would undoubtedly determine that Canada's role, the role we would come up with, would be a conventionally armed tri-service, highly mobile force adapted to deal with brush fire wars in support of the United Nations or our allies, and that this would be our most useful role within the alliance.

By the same token, Mr. Speaker, he indicated his agreement with General Foulkes and other witnesses that our present strike reconnaissance role with CF-104's equipped with nuclear weapons, which has already cost this country half a billion dollars, was based on the misconception that tactical nuclear war could be undertaken in Europe without escalating into all-out nuclear war. At page 442 of his evidence he summed up the matter as follows:

We should not be in the nuclear field at all. The most useful contribution we can make to any coalition or alliance of which we become a partner is in the field of being able to make a contribution to preventing a situation developing which would lead to thermonuclear exchange.

The author of this statement that we should not be in the nuclear field at all is one of the most distinguished generals and military men that Canada has ever produced. Another witness was Mr. John Gellner, a distinguished military writer and analyst. He came to similar conclusions. His evidence has not yet been printed but it parallels an article he wrote for *Saturday Night* in 1962 to which I should like to refer. In his view the $18 billion we have spent since 1951 on defence has produced nothing adequate or useful. He says that as a result of this expenditure all we now have is:

An air defence organization with very limited capability for the one task which North American air defence can possibly have today: that of deterring a bombing attack against this continent.

Overseas forces designed and trained to deter, and fight if need be, a type of war (limited nuclear) which will not occur, or will not last as such if it does.

Intervention forces of the Canadian army at home, whose effectiveness is greatly reduced by lack of transport, and partly of air transport ability, and tactical air support.

A civil defence set-up which appears to have deliberately stopped short of the most important, the crucial measure of protection: the training of all citizens to help themselves in case of nuclear war.

Then he proceeds to say:

If these are facts—and we believe they are—then much of the Canadian defence effort in the last seven of the 11 years since 1951 has been to no good purpose. The questions now are: how and why did it happen? There is little doubt that the main reason was that we swallowed, hook, line and sinker, the American defence policy that grew out of the frustrations of the Korean war.

So Mr. Gellner and these other witnesses who have appeared before this committee have made it clear that before we can discuss intelligently what contribution we can make to defence we have to determine the role which we have to play. I believe that the discussions of the committee, which have been conducted on a non-partisan basis, and the evidence presented to it can lead to a sane, a practical and a nationally chosen role that will enable Canada to make the maximum contribution to the security and peace of Canada and the world. For this reason I believe that the amendment we have before us today is very premature in that we are asked to declare that this committee of the house cannot perform the task that has been put before it.

I seem to have caught the ear of the minister for a moment. I regret that he has found it necessary to make piecemeal announcements about policy, but I am prepared to accept his statement and those of other members of the government that they will pay attention to the decisions and conclusions of the defence committee on the major strategy which should be applied to Canadian defence. If it turns out that he or the government are unwilling to do that, I will then be prepared to criticize them for failing to do so.

Before I part with the general question of the role which Canada should play I should like to refer to what I believe is the most useful contribution that has been made by any Liberal member of the house on the subject of defence. I have reference to a speech made by the present Minister of Defence Production (Mr. Drury) on December 14, 1962, when he was a private member. I should like to ask the Minister of National Defence (Mr. Hellyer) to reread what his colleague said at that time, because it made excellent sense in determining the role that Canada should play and because it is quite inconsistent with what the minister said in the house yesterday, namely that there was some good purpose to be served apparently by our continuing to

maintain, through NORAD, an answer to the bomber threat, and nuclear weapons to back it up.

I should like to read now a paragraph from page 2683 of *Hansard* and I ask the minister to consider it. This is the present Minister of Defence Production speaking. He had set out five tests of what Canada's military role should be. In my opinion he set them out very admirably and I suggest they deserve consideration now. Then he went on to say:

> I would suggest that perhaps consideration of the criteria I have suggested, when applied to our apparent dilemma in North America, might shed some light on this problem.
>
> In respect of NORAD we perform two functions. One of them corresponds to all the tests I have outlined and the other does not. The military task of identification and warning which is NORAD's main task does correspond to the criteria I have just outlined. The function of aircraft interception and destruction—more particularly aircraft destruction—with nuclear weapons, does not correspond—

He goes on to express his disapproval of that function. I hope the various words we have heard from time to time from the minister, the Prime Minister (Mr. Pearson), the Secretary of State for External Affairs (Mr. Martin) and other persons to the effect that this government is generally reconsidering the role that Canada should play, really mean what they say. I hope the government will not go on tying us up with agreements that will make it difficult for us to adopt an intelligent role.

It may be apparent to hon. members that my voice is not in the best condition today. I should like to go on and deal at this stage with the amendment introduced by the hon. member for Villeneuve (Mr. Caouette). We in this party would certainly not have worded the amendment in the way in which the hon. member for Villeneuve has. We very much regret that the terms of the amendment refer to Quebec alone, and to the introduction of nuclear weapons in the territory of Quebec. So far as we are concerned, for the purpose of defence as well as for many other purposes, there is no distinction to be drawn between the province of Quebec and the rest of Canada. I suggest we are concerned, in our party and in this house, with the defence and security of Canada as a whole. What makes sense for Quebec, makes sense for Canada. We in this party have made it clear from time to time that we do not think nuclear defence makes sense for Canada, and therefore it makes no sense for any part of Canada.

Our view in the matter has been powerfully reinforced by the evidence given before the committee, and particularly the evidence of General Simonds. He pointed out, Mr. Speaker, that the nuclear tipped Bomarc missiles are designed to shoot down manned bombers that might come over from Russia. He said that this was not a real threat at all. The Russians, he said, would be crazy to send manned bombers to attack North America and, he added, they are not crazy. Our warning system spread around the North American continent would enable the targets of the manned bombers, namely the nuclear retaliatory forces of the United States to be off the ground and out of harm long before the bombers arrived. Any all-out nuclear attack, if it could happen at all, and if the Russians are not crazy, would necessarily be an attack by I.C.B.M.'s, against which we have as yet devised no defence. If the Russians contemplated a second blow with bombers, they would knock out the Bomarc bases first, cooking them, as the technical term goes and as General Simonds has said.

In any event, the Bomarc would knock out only a proportion of the bombers, and the small proportion that came over would be armed with megaton bombs which would wreak universal havoc in our country and in the United States. General Simonds concluded by saying that the idea we should involve ourselves in heavy expenditures directed against a bomber threat that was non-existent at this particular time did not make sense. It is in the name of common sense that I suggest, Mr. Speaker, this role should be abandoned and that the amendment, which objects to nuclear weapons in Quebec, should be extended to the whole of Canada. I say if it makes good sense there, it makes good sense in the rest of Canada.

The minister disagreed with General Simonds. Apparently he still sees some useful role for the Bomarc. If I did not misinterpret him, the minister suggested that we must continue with this role to satisfy our United States allies and live up to our commitment. I am sure he is familiar with the words of secretary for defence McNamara who says that the Bomarc is virtually obsolete; it is only being continued because there has already been a large expenditure of $2 billion on that particular system, and maintenance does not cost very much, so we might as well keep it going for a little while longer. Are we required by any treaty or engagement to keep in effect a weapons system which the United States secretary for defence has described as obsolete? This is the prime question, Mr. Speaker. Has any effort been made to ascertain whether or not the United States government is insisting upon the maintenance of this particular effort? I must say it appears to me that the adoption of this role and the conclusion of an agreement to bring these nuclear weapons under United States custody on Canadian soil arises far less from any need of our allies or any sensible

analysis of our position, and far more from the need to satisfy Canadian political exigencies, to satisfy the misguided impressions of a section of the Canadian public that these weapons are useful to the defence of Canada or the United States. In fact, they are not useful at all.

In so far as the introduction of nuclear warheads into any part of Canada is concerned, in our view that is clearly based on an obsolete, impractical military doctrine because it is meaningless in terms of effective defence. We feel we are bound to support the amendment, based on its application to all of Canada as well as the province of Quebec.

Something has been said, Mr. Speaker, about the wording of the amendment and particularly the reference to the "state of Quebec." This certainly is not language which we would be familiar with or would use in this party. I do not think that language has any particular significance; but a very distinguished, leading Liberal, the premier of Quebec, Mr. Jean Lesage, habitually refers to the state of Quebec. If the expression is good enough for him, I do not see why it should not be good enough for the hon. member for Villeneuve and, indeed, for the members of this house. I do not think it has any more significance in relation to the status of Quebec within confederation than a reference to the state of Pennsylvania would have in the United States. I think any attempt that may be made later to concentrate on this particular form of expression would be a red herring tending to obscure the real meaning of the amendment, which is in opposition to the useless nuclear installations in the province of Quebec and, I assume, by the extension thereof, in any other part of Canada.

In this party, we have consistently opposed nuclear installations in Canada, not for sentimental or emotional reasons, or simply moral reasons. We have opposed them for sound common sense reasons that have commended themselves to General Simonds, General Foulkes, Mr. Gellner and other witnesses to whom I have referred. We believe our views have been confirmed by common sense and the evidence that has been heard in the committee. Our opposition to nuclear weapons has been established and we shall cast our vote on this motion in the light of that well known opposition.

[*Translation*]

**Mr. Gerald Laniel (Beauharnois-Salaberry):** Mr. Speaker, I am very happy to take part in this discussion and to indicate that I associate myself with this government's defence policy; this should prove to the hon. member for Lapointe (Mr. Gregoire) that I am not afraid to express my views and opinions in this house, even before tonight's vote.

When I was appointed to the committee on defence, several of my voters rejoiced at my being a member of such an important committee. And tonight, I am given the opportunity of making my views in defence matters known to the people who elected me as their representative as well as to all hon. members of the house.

The hon. member of Winnipeg South Centre (Mr. Churchill) did not surprise me at all when he criticized this government's actions in defence matters, and still less when he introduced his non-confidence motion. The hon. gentleman, who is a member of the defence committee and a former minister of national defence, was often disappointed with the way that committee went about its business, because he would have liked us to rehash all those disputes which arose during the months preceding the defeat of the Conservative government, so that our committee would have become a political arena with regard to defence matters. The committee members preferred to limit themselves to their terms of reference, by making a complete analysis of the present situation, so as to familiarize themselves with the subject matter and be able to make the appropriate recommendations with regard to the whole defence problem in this country while helping establish a Canadian policy in this field.

I consider that at this stage, the committee was far from being ready to come to a conclusion on the general purpose frigate program, no more than we are ready, as regards the unification of the three arms or their integration into a very mobile force, because the members had not yet started a discussion on the various testimonies given in the last few months.

Besides, Mr. Speaker, I do not think that even the hon. member for Greenwood (Mr. Brewin), who just spoke before me, could himself express an opinion on behalf of the defence committee because he only quoted the evidence that he saw fit to quote.

I think that the members of the defence committee still have much work to do. They have to exchange ideas and concepts. As far as I am concerned, I know that some of my original ideas might have changed or evolved and I even know that if, on some other matters, I think I have a very clear idea at the present, I am still ready to discuss them and I hope that the other members of the committee will keep up the same spirit. This will make room for a thorough discussion and at the same time will enable us to

arrive at really constructive and far reaching suggestions.

Mr. Speaker, after several months of hesitation and indecision—and here, I do not blame the former minister of national defence—on the part of the previous administration, this government could not afford to wait very long before reaching a decision. I must therefore commend the Minister of National Defence for the serious work he does as the head of his department where an exhaustive investigation of the present defence policy was undertaken to give it a new direction if need be, taking into account the importance of curbing some expenditures and of eliminating some others which could be considered as less vital.

I cannot see how the performance of the department could come in conflict with the defence committee, because I am convinced that eventually, both will meet at some crossroads and then, we shall be in a better position to judge the efficiency of the work done and the ground covered.

Mr. Speaker, I think that the Canadian people would have been really justified to be shocked about the implementation of a program which was to cost $452 million, which completely ignored the investigation now under way on defence questions and which was devoid of any planning.

I would ask the hon. member for Winnipeg South Centre to tell us whether, in his opinion, a single member of the defence committee would have dared defend such a program, especially after the evidence given before the committee by Lieutenant General Guy Simonds and General Charles Foulkes, both of them ex-military men of renown, who occupied the highest post in our armed forces.

As mentioned by the minister in his statement of October 24, this decision was made after a thorough study of the program, and we must admit that the reasons put forward by the minister are fairly in line with certain points of view which were presented to the defence committee. The more so because, on the economic side, the present government still wanted to show the population it took its responsibilities, when the Minister of Transport (Mr. McIlraith) announced a shipbuilding program, the cost of which will reach close to $110 million, and which shall be completed in the years 1963, 1964 and 1965.

And, Mr. Speaker, what about the statement of the Minister of Mines and Technical Surveys (Mr. Benidickson) who, this afternoon, announced the construction of 12 additional ships—12 hydrographic research and survey ships—at a cost of $50 million.

We have therefore abolished a program of military expenditures, the cost of which appeared exorbitant, if we take into account especially the fact that the very efficiency of those general purpose frigates was questioned and that the part they would play was most controversial. We have instead preferred a shipbuilding program originating in the Department of Transport and the Department of Mines and Technical Surveys, at a greatly lower cost, whereas the ships shall be much more useful to the Canadian people. The building of these ships will start immediately, so that unemployment will not be increased by the scrapping of the program. Common sense and reason have prevailed, and the present government has established that it wants to assume its responsibilities in every possible field.

Mr. Speaker, concerning the subamendment of the hon. member for Villeneuve, about the storing of nuclear warheads in the province of Quebec, my hon. friend has proved once more that he is content to exercise his political action in one province only, and that his dissident group is not capable of grasping the situation in its national context. The hon. leader of the Caouettistes and of the Gregorians goes as far as to say he is speaking, in his subamendment, on behalf of the Quebec members belonging to the various political parties. I will ask him however, with all due respect, to exclude me from his statement, because I consider it as wholly irresponsible, and tainted with a partisan spirit. I would suggest to my hon. friend to go back in thought to the last electoral campaign. He will remember that the leader of the Liberal party had adopted a very definite and categorical position on the subject of our obligations towards our allies. Some people derided us, when we said that we were anxious first of all to fulfil our obligations—that is precisely what we are doing at the moment—and that afterwards, if necessary, we would revise the situation, and try to establish if it were necessary to re-orient our policy, in order to better adapt it to our desires.

Mr. Speaker, Canada is a member of NATO and of NORAD, and I am convinced that this duty and this right are recognized by nearly all Canadians.

When the hon. member for Villeneuve (Mr. Caouette) says that we have accepted the storing of nuclear weapons in the face of universal protest, he is not entirely faithful to truth. Our position on that point has been extremely precise; in spite of a few inevitable protests, the people of the province of Quebec have given us their unconditional support. We appeared before the electorate as a fully responsible party; we formed a government which is ready to assume its responsibilities and to meet its obligations. We carry on the

dialogue with our friends, and we hope to continue to do so indefinitely, for we must try to solve together our common problems.

True, because modern technique changes so rapidly, we must constantly study and revise our defence policy, but when millions of dollars are involved, we just cannot keep on disrupting everything, especially when we are part of a defence system that must be as invulnerable as possible.

The storing of nuclear warheads on Canadian soil does not shock me. In my view, such a thing is inevitable. I believe that Canada, being a free country, should play the role it can afford to play in the defence of the free world. It is time we stop playing upon words and even claim we are losing our influence as a pacifist country. Our reputation is well established and the Prime Minister is recognized throughout the world as a man of peace.

Do we or do we not belong to the western bloc? What would have happened if the Cuban crisis had degenerated into a nuclear war, with or without nuclear warheads in storage? If we had had to defend ourselves, I think we would just have stood there gaping, unable to do anything.

Let us be serious. Would we be more to blame for accepting those weapons than for selling the great quantity of uranium used in the manufacturing of American atomic bombs?

The hon. member for Lapointe referred to the unanimous opinion of members of parliament and citizens of the province of Quebec. But when he found that members on the government side did not share his opinion—heaven forbid—he accused us of having sold out to the Americans and went off into considerations of petty politics which are typical of him.

Believe me, Mr. Speaker, I would be less afraid of American domination than of a dictatorship offered by the Gregoire-Caouette group, which might be similar to that imposed by the idols of the hon. member for Villeneuve, namely Hitler and Mussolini.

Those people do not accept other people's opinion and readily condemn those who dare to think in a different way.

Mr. Speaker, before closing I wish to point out the fact that this country has a role to play in the world, that we cannot be isolationists, neither from the economic point of view nor from the standpoint of defence of the free world. That role must be examined thoroughly and it can be changed according to circumstances. As a matter of fact, I urge the Minister of National Defence to keep up his good work. And, so as to prove to the hon. member for Lapointe that nobody dictates our policy, and that within the Liberal party, every member is free to think as he pleases, I am going to make a suggestion to the Minister of National Defence, that is to consider the possibility of setting up in Canada a system of compulsory military service, which, in my opinion, might benefit directly the Canadian people.

In fact, it is noteworthy that in every country where such a system is in effect, it has fostered unity and has proven profitable to the nation. Indeed, a stay in a disciplinary corps is, in my opinion, a supplementary training which is a good preparation for the future, inasmuch as it instills into a man a bit of discipline and a sense of responsibility, which is something that our young people need today and which is also lacking in the Caouette group.

This service should not be on the same basis as service in an emergency but it should be oriented so as to provide the young people with the opportunity of attending trade or specialization courses, as well as civil defence classes, all this without interfering with a general education. In other words, a formula related to that of our military colleges but very much simplified.

It would be, in my opinion, a contribution to the economy, that is an expenditure which would benefit directly the Canadian people and which would, at the same time, alleviate unemployment among our young people.

Mr. Speaker, the people are watching the House of Commons, wondering certainly what is in the minds of the opposition parties, at a time when the government shows increasing evidence of its ability to give our economy the guidance it needs.

**Mr. Gerard Girouard (Labelle):** Mr. Speaker, my first grievance today will certainly be directed against the party in power, because it is due to the absence of fifty-odd Liberal members that we are still discussing today a subamendment which has already been put to a vote, no matter how the hon. members for Lapointe and Villeneuve (Messrs. Gregoire and Caouette) feel about it, without the approval or support of the members of the Social Credit party. But it is not for me to teach the members of the party in power a lesson; I guess that was taken care of, and strongly too, at the caucus this morning.

In any case the party in power gives us the opportunity to talk again about nuclear arms, and I think we are about to have a little fun.

Mr. Speaker, I do not intend to go over the whole story from 1957 to 1963, because a series of contradictions coming either from the party in power or the opposition would

have to be recalled. And to what end? Simply to establish that the Canadian people have been fooled either by one political party or the other. In fact, the people of Quebec did not want nuclear arms and today they find them in their own back yard.

In that respect, I wish to quote words spoken in 1959 by the then prime minister. At that time, the present Leader of the Opposition (Mr Diefenbaker) stated: Those nuclear arms are not fully effective unless they are equipped with nuclear warheads.

And at the same time, the present Prime Minister (Mr. Pearson), who could clearly hear the echo of the Voice of Women, and the present Secretary of State (Mr. Pickersgill), who was writing a book on the philosophy of the Liberal party, both stated:

> We do not need nuclear arms in Canada. It is better to be a great power working for defence and peace than a small atomic power.

When a by-election was held in my riding in 1960—I apologize for referring to my riding when I should be speaking on behalf of my party—the present Minister of Justice (Mr. Chevrier) ranged all over my constituency. During a meeting held in the Mont Laurier parish hall, where I was seated in the first row, the Minister of Justice told the people: Do not vote for the evil Conservatives who want to establish a Bomarc base in La Macaza, because this will kill your wives and children. Do not vote for the evil Conservatives.

Do you know what happened? Well, the people of the riding of Labelle did not vote for the evil Conservatives. They elected the Liberal candidate.

Yet at that very moment, the poor little Conservative candidate was working himself up into a frenzy, expounding lofty principles. As a matter of fact, he was saying: If you want peace, prepare for war.

What do we hear today? We are told: We must meet our commitments, we must join our friends to check the communist bloc.

And the poor little Conservative candidate was saying: This is an economic asset, a huge establishment which will bring prosperity to the riding. But he was defeated while the Conservative party was still in power.

Why was the poor little Conservative candidate defeated? Because throughout the county of Labelle, in 1960, the people said: We do not want any nuclear weapons.

The voters of the riding of Labelle did the same thing again in 1961: We are against nuclear weapons, let us vote for the winner of the Nobel prize for peace, let us vote Liberal.

[Mr. Girouard.]

But suddenly in 1962, the same Liberal candidate who had been elected in spite of the Conservative landslide was defeated. Why? In fact everybody wonders why. Well, the answer is quite simple as far as my constituents are concerned. The leader of the Liberal party had become a little more deaf, he no longer heard the Voice of Women, probably his wife's to begin with.

In 1963, the present Minister of National Defence (Mr. Hellyer) completely reversed his policy. In fact, I consulted *Hansard* from 1959 to 1962 and I could not find anything worse. There were only the words of a promoter of peace, of a politician against nuclear weapons.

But during the election campaign they began saying: We have to live up to our commitments. Our country has to do its share in the field of nuclear weapons.

And then we noted that the Liberal candidate in Labelle had been defeated by the Social Crediter who had only made one promise.

I actually stated everywhere in my constituency during the election campaign: "I am going to Ottawa, I will not accomplish any miracle, but I promise you that I will vote against nuclear weapons".

Furthermore, in La Macaza, a Bomarc missile base, as I have already said in this house and I repeat it, because, in my opinion, it is significant, the Social Credit candidate obtained a majority. Why? Because the voters of Labelle county are intelligent enough to know when a candidate comes and tells them: "Vote Grit", that he wants them to vote Grit, and that if they are told: "Vote Tory", the candidate wants them to vote Tory. As for me, I travelled through my riding of Labelle telling my electors that I would vote against nuclear arms. Well, Mr. Speaker, I was elected because of that and, today, I will respect my mandate precisely for that reason.

Mr. Speaker, why does the hon. member for Villeneuve submit his subamendment today, saying that he blames the Quebec Liberal members for their subservience.

Much to my regret, I must recognize that Voltaire himself had his moments of truth, and I must admit that the member for Lapointe was right this morning. I must admit that if the member for Lapointe never says what he thinks, he always thinks what he says. And when he stated that the Liberal members had been subservient, I believe he was right.

This action is outrageous because we wonder if, in all this, some political parties have not been playing small politics.

But, Mr. Speaker, what about the people in all that? The people whom the recipient of the Nobel prize for peace told in 1960 and 1961 that he did not want nuclear weapons. At that time, the people recognized the defence and peace policy of this good fellow, but today, they realize that they have been misled by the same good fellow who claims he changed his policy because of changed circumstances. But circumstances have not changed and the people have not altered their opinion.

In the issue of the day before yesterday, the editor of the newspaper *L'Echo de la Lievre*, the official organ of the Liberal party in my riding, wrote: down with nuclear weapons. That is what the people, being the people, have understood. They could have realized that if the situation were to change, a war becoming imminent, the government, on the recommendation of the defence committee, could take a new direction.

But where is war today? I must admit the merits of the remarks of the hon. member for Lapointe (Mr. Gregoire) who said: today, hundreds of countries sign a disarmament agreement, and Canada is the only one which accepts nuclear warheads.

If there is a war on today, Mr. Speaker, I think it is rather related to the economy. Seafarers are at war today because they are unsatisfied. The unemployed are at war because they have no jobs. The separatists are at war today because they are disappointed in the stand taken by the federal government. The Liberals are at war today—the federal wing and the provincial wing—because the provincial wing of the Liberal party is not satisfied with the stand taken by the federal wing of the party.

And what about the Conservative party, Mr. Speaker? If they are at war today, it is not so much because they are looking for a leader, but it is the leader who is looking for a party.

We must admit that Social Crediters are also at war, and not because they are looking for a leader, but because they have too many.

It must be admitted that the N.D.P. is at peace, but it is for a lack of fighters; today there are no wars and there will not be any more, since at the present time, as far as the provincial wing of the N.D.P. in the province of Quebec is concerned, the latter manages to avoid any dispute between that provincial wing and the rest of the country.

Mr. Speaker, such is the situation which prevails today. Because of the absence of about 50 Liberal members who could not vote in favour of the Speaker's decision, which I believed fair, we have to talk two more days on this subject.

Well, Mr. Speaker, if the situation has so deteriorated now, if we have to discuss nuclear weapons, I wonder if this has not been premeditated on the part of the government party. Perhaps they figured that instead of being criticized for two days about the bad situation prevailing in this country, about the dissatisfied unemployed workers, about the compelling necessity of fulfilling their promises, they would rather let the house spend two days talking about nuclear weapons, which did not entail any risk since these weapons are securely installed in this country and that nobody can remove them.

Perhaps this is what happened, Mr. Speaker, but I also envision other possibilities. I see my young friends on the other side of the house smiling, but when I look at my old friends opposite, I realize that they seem very sad indeed, and I think that it is about time that the government party, instead of wasting their energies today to support the stand of the Postmaster General, who liberally dispenses patronage, should better listen to the newcomers, who are injecting, and one has to admit it, new blood into the party in power.

These newcomers have brought with them something which we, Socreds, have also featured in this house, namely perhaps a certain amount of guilelessness, but also of honesty. These newcomers like Social Crediters were sent to Ottawa by their constituents to tell the government: things have been lagging long enough in parliament at Ottawa, we will go there and make our contribution.

I am sure that when the present Prime Minister decides that it is better to respect the younger members of parliament and let them take the initiative instead of defending the old party members, who are giving out-of-date direction—

**Mr. Auguste Choquette (Lotbiniere):** Mr. Speaker, I rise on a point of order to reproach my hon. friend opposite, for whom I have a great deal of consideration, for his disrespect for our leaders who enjoy the respect and admiration of all of us.

Consequently, Mr. Speaker, I would ask you to call the hon. member for Labelle (Mr. Girouard) to order and to remind him that he must limit his remarks to the subject under discussion.

**Mr. Girouard:** Mr. Speaker, I appreciate the testimony of friendship and respect which the hon. member for Lotbiniere (Mr. Choquette) has just given to his leaders.

I would only wish that the hon. member would stop once in a while and consider the nefarious decisions and policies of his leaders, such as nuclear stockpiling in Canada.

*Abandonment of Defence Projects*

Since I must come back to the question of nuclear weapons, let us take a look at the present situation.

The Leader of the Opposition is and has always been against the acquisition of nuclear weapons, and he does not hesitate to say so.

On the other hand, the government states that it was opposed to the acquisition of nuclear weapons but that it had to accept them to fulfil the commitments made by the Conservatives when they were in office.

Apart from those two parties, there is the N.D.P., the Social Credit party, and the Caouette group who wonder, after witnessing such a performance, where the truth lies. There is the New Democratic party, which at some time said: Let us see the commitments given by the Conservative party and then we will know whether you are responsible or not.

At that time, there was no refusal whatsoever; the national defence minister said: Very well, we shall produce them—no, I think it was the Secretary of State for External Affairs—"We shall produce them; of course, there are certain state secrets that we cannot disclose, but we shall give you the information we can on this matter".

But then, the Conservative party would not have anything of the kind. Oh no. It's all or nothing; it could be discriminatory. But we, Mr. Speaker, the representatives of the people in this house, we ask you, on behalf of the people, to give us the requested information. Do the Canadian people know why we have nuclear weapons at present? No, that is an official secret. They will never know. And yet, they are the ones who elect the government. All of us here, regardless of party affiliations, will have to seek a new mandate from the people at the next election; we will say to our constituents: "Vote for us. Give us your support. But when the time comes to make important decisions, frowned upon by the people, there is no fear of the people, who are told that those are official secrets.

For two years now, the Social Credit party has been advocating in the house the establishment of a national defence committee. I for one know very well that our leader said that it was inadvisable to give a premature reply one way or the other. He said: "Let us wait until the defence committee submits a report after having secured the necessary information."

And did we ever get that defence committee report? All we were able to get from that committee were the press reports which the various papers had published the day before. We never could find out what we wanted to know. Was there a definite Conservative pledge with regard to nuclear armament or not? Nobody has been able to find out. If we were to know one day, it would explain this government's present position.

As I said, Mr. Speaker, people are tired of being left in the dark with regard to this important matter. I must refute what my hon. friend from Lotbiniere county stated in the last election: "The people of the province of Quebec obviously know that the leader of the Liberal party did not undertake to have nuclear arms", but even without having been in Lotbiniere county during the election, I know very well that most of the Liberal members from Quebec said: "Dear friends, you know that Mr. Pearson is a great man, that he was awarded the Nobel prize for peace, and he said we should get nuclear arms, but as you know very well, only in case of an emergency." Indeed, some went even further, and I would like the hon. member for Drummond-Arthabaska (Mr. Pepin)—

**Mr. Choquette:** Mr. Speaker, on a question of privilege. What the hon. member for Labelle says is inaccurate. I stated in the county of Lotbiniere, that our present Prime Minister's position was what it is today, and I was elected with such a crushing majority that the Social Credit candidate lost his deposit. The people of the county of Lotbiniere supported the Liberal party's statement. Let anybody try to refute it.

**Mr. Girouard:** Mr. Speaker, I accept the word of the hon. member for Lotbiniere, and I shall tell him that, if he was elected in the manner he says, the representatives of the three other parties in his county must indeed have been a pitiful sight.

Mr. Speaker, let us now come back to the subamendment before us. I would like to read it once again to hon. members:

I move, seconded by Mr. Gilles Gregoire—

Here is the amendment to the amendment:

—subserviently agreeing to the storing of nuclear arms on the territory of the state of Quebec, notwithstanding the strong protests voiced by the civic and municipal authorities of Quebec, the national societies and the welfare clubs, the labour and agricultural unions as well as by the Quebec members of parliament belonging to all political parties.

If this subamendment is read carefully, Mr. Speaker, one finds something striking about it. Here we have an amendment brought forward by a provincial group made up of provincial members. They are bringing in a provincial subamendment to blame the federal government for having stored nuclear arms in a province.

Now, faced with such a subamendment, we may ask ourselves who must blame the government. Should parliament, today, blame the government for having stored nuclear arms

in the Quebec state? If we apply *a contrario* reasoning, especially if we should use the reasoning of the hon. member for Villeneuve, we must say that the hon. member for Villeneuve does not want nuclear arms in the province of Quebec but that he wants them in all the other provinces. I said: "if the line of argument of the hon. member for Villeneuve is to be followed".

Then, does it rest with parliament to decide whether it would be advisable to have nuclear arms in the other provinces and not in the province of Quebec? I do not think so, Mr. Speaker.

Some hon. members have wondered about the words "state of Quebec". As for me, I am proud of the expression "state of Quebec". On the other hand, I know very well that the province of Quebec is not a state. But I know that the words "state of Quebec" are used by Mr. Jean Lesage who is considered as a regular guy in this house, and also by Mr. Daniel Johnson who does not have but enemies here, as well as by all important people in the province of Quebec. Therefore, I feel that the words "state of Quebec" are properly used here.

But one should wonder who will blame the government for having stored nuclear weapons in the province of Quebec?

[*Text*]

Who will blame the government? Liberals, yes, but Liberals from Quebec state. Who will blame the government? Conservatives, yes, but Conservatives from Quebec. Who will blame the government? Social Crediters, but Social Crediters from Quebec. Who will blame the government? Caouetters, but Caouetters from Quebec.

[*Translation*]

That is why, Mr. Speaker, before such a subamendment blaming the government for storing nuclear arms in the province of Quebec, I say to the government: let the members from Quebec settle that matter; let the Liberals from the province of Quebec settle that matter; let the Conservatives from the province of Quebec settle that matter; let the Social Crediters from the province of Quebec settle that matter; and let the members of the Caouette group, from the province of Quebec of course, settle that matter. Thus, Mr. Speaker, the people might find out, a little late perhaps, if today the Liberals of the province of Quebec decide openly to blame the government for storing nuclear arms in Quebec, that at a caucus they tried to prevent the remainder of their members from taking a regrettable decision.

While today the Quebec Conservatives blame the federal government, the people will surely realize that the deep-set hesitation of their leader was brought about by the fact that the Quebec members were set against nuclear arms. With all due respect to the hon. member for Villeneuve, to the Liberals and to the Conservatives, the people in the province of Quebec remember that the Social Crediters elected to the federal parliament had promised the electorate they would vote against nuclear arms. The people will understand clearly that the Social Credit group in Ottawa cannot work miracles, and has never promised any. The Social Crediters however are doing their best to ensure that the country is well administered. Above all, the people will have to admit that the Social Credit group has not reneged, and that it has voted against the stockpiling of nuclear arms in the province of Quebec.

[*Text*]

**Mr. Speaker:** The hon. member for Calgary North.

**Mr. Eric A. Winkler (Grey-Bruce):** I move, in accordance with standing orders, chapter III, section 29, that the hon. member for Three Rivers (Mr. Balcer) be now heard.

**Some hon. Members:** Closure.

The house divided on the motion (Mr. Winkler) which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Aiken | MacInnis |
| Alkenbrack | MacLean (Queens) |
| Baldwin | Macquarrie |
| Bell | MacRae |
| Bigg | McBain |
| Cantelon | Madill |
| Chatterton | Mandziuk |
| Churchill | Millar |
| Clancy | Monteith |
| Coates | Moore |
| Cooper | More |
| Crouse | Muir (Cape Breton |
| Danforth | North and Victoria) |
| Diefenbaker | Nasserden |
| Dinsdale | Nesbitt |
| Doucett | Nielsen |
| Enns | Noble |
| Fane | Pascoe |
| Fleming | Paul |
| (Okanagan-Revelstoke) | Pigeon |
| Gundlock | Pugh |
| Hales | Rapp |
| Hamilton | Rheaume |
| Horner (Acadia) | Ricard |
| Howe (Wellington- | Rynard |
| Huron) | Simpson |
| Irvine | Smallwood |
| Jorgenson | Smith |
| Kennedy | Southam |
| Kindt | Stefanson |
| Korchinski | Stenson |
| Lamb | Thomas |
| Lambert | Valade |
| Loney | Vincent |
| MacEwan | Watson (Assiniboia) |

*Division*

Webb
Weichel
Willoughby
Winkler
Woolliams—72.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Beaule
Bechard
Beer
Belanger
Benidickson
Benson
Berger
Blouin
Boulanger
Boutin
Brewin
Brown
Byrne
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Cashin
Chapdelaine
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Dionne
Douglas
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Fisher
Forest
Forgie
Foy
Frenette
Garland
Gauthier
Gelber
Gendron
Girouard
Granger
Gray
Greene
Gregoire
Groos
Guay
Habel
Hahn
Haidasz
Harley
Hellyer
Herridge
Honey
Howard
Howe (Hamilton South)
Jewett, Miss
Kelly
Knowles
Lachance
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Langlois
Laniel
Laprise
Latulippe
Laverdiere
Leduc
Lessard (Lake St. John)
Loiselle
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Marcoux
Martin (Essex East)
Martin (Timmins)
Matheson
Matte
Mitchell
Moreau
Mullally
Munro
Nicholson
O'Keefe
Olson
Orlikow
Otto
Ouellet
Patterson
Pearson
Pennell
Perron
Peters
Pickersgill
Pilon
Plourde
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rondeau
Roxburgh
Ryan
Sauve
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Webster
Whelan
Winch—139.

**Mr. Speaker:** I declare the motion negatived.

[Mr. Winkler.]

[*Translation*]

**Mr. Chevrier:** Mr. Speaker, I was paired with the hon. member for Three Rivers (Mr. Balcer). Had I voted, I would have voted to maintain your decision.

[*Text*]

**Mr. Gordon:** Mr. Speaker, I was paired. If I had not been, I would have voted against the motion.

**Mr. MacInnis:** On a point of order—

**Mr. Speaker:** Wait until the pairs are in.

**Mr. MacInnis:** It is on this very business of pairing that I raise a point of order.

**Mr. Chevrier:** Wait until it is over.

**Mr. Speaker:** I wonder would all hon. members take their seats for just a minute. I propose to hear the pairs first and then the point of order.

**Mr. Lloyd:** Mr. Speaker, I was paired, or I would have voted against the motion.

[*Translation*]

**Mr. Favreau:** Mr. Speaker, I was paired. Had I voted, I would have voted to maintain your decision.

[*Text*]

**Mrs. Konantz:** Mr. Speaker, I was paired. Had I not been, I would have voted against the motion.

**Mr. McIntosh:** Mr. Speaker, I was paired with the Minister of Trade and Commerce.

**Mr. MacInnis:** Mr. Speaker, on the point of order I was about to raise with regard to the matter of pairing, I bring it up at this time for the simple reason that it is a waste of time going through all the members and hearing them say whom they were paired with, for the very reason that there has been a violation of the pairs on the part of the Liberal members.

**Mr. Speaker:** The hon. member for Calgary North.

**Mr. Diefenbaker:** I rise on a question of privilege, and I do not want to hold up the hon. member in any way. The course followed in this house has invariably been that the Speaker has taken the list of members from the whip. We are being denied, by your action today, the right to explain the vote we are making this evening. I submit, sir, it is most improper, and with great respect I say that to you.

You have denied us by your action the right to have anyone speak for this party and explain the nature of our attitude respecting the amendment to the amendment laid before the house.

**Mr. Harkness:** If I may have a word on this particular point of order, I attempted to get

up to speak twice yesterday evening. I was informed by the deputy chairman of committees who was then in the chair, not long before ten o'clock last night, that after the hon. member for Lapointe (Mr. Gregoire) had finished, I would be next on the list.

I found out today that another list had gone in. I made inquiries and found I was down on this list fifth, sixth or seventh from the position I thought I was going to be in, and then I was finally recognized.

I would also like to say that nobody asked me to give up my place in favour of the hon. member for Three Rivers (Mr. Balcer), or made any suggestion to me in that regard or anything else along that line. Therefore this whole motion is one which I find very difficult to understand.

**Mr. Knowles:** Mr. Speaker, I rise on a point of order with respect to the remarks made by the Leader of the Opposition. I suggest that his remarks were out of order on two counts. In the first place he was reflecting on a vote that this house has just taken, and in the second place he was blaming Your Honour for a decision which was taken by vote of the house. He was out of order and he owes an apology to Your Honour.

**Mr. Diefenbaker:** Mr. Speaker, I owe no apology for drawing your attention to the fact that you, sir, departed from the regularly appointed plan we have always had, of accepting the nominations of the party whip.

**Mr. Speaker:** I certainly do not wish to pour any more oil on the fire, but I believe that I have acted in accordance with tradition and precedent. If I may just take one minute I think it will settle the question. Beauchesne's fourth edition, citation 121, paragraph 1 says:

> There should not be a list of speakers with an order of precedence in the House of Commons. Any member who wishes to speak may rise and endeavour to catch the Speaker's eye. He who is first seen has the right to speak. By old parliamentary usage, a member who wishes to make his maiden speech enjoys the privilege of being first seen by the Speaker, if he rises at the same time as other members; but the privilege will not be conceded unless claimed within the parliament to which the member was first returned.
>
> (2) the succession of speakers is left entirely to the Speaker. If his call is disputed by some member who thinks he rose before the Speaker's choice, a motion may be made under S.O. 35—
>
> —which is now standing order 29—
>
> —that "he be now heard."

Among my papers I have a signed note from the chairman of committees in which is assigned the hon. member for Lapointe (Mr. Gregoire), following which was the hon. member for Calgary North (Mr. Harkness). In the circumstances I had no other choice but to act in accordance with what I considered to be the right thing, and tradition.

The hon. member for Calgary North.

**Mr. Olson:** On a point of order, Mr. Speaker; the right hon. Leader of the Opposition complained that no member of his party was given an opportunity to explain their position. If this is true, then the hon. member for Calgary North (Mr. Harkness) is not a member of his party, and I think the house has a right to know that.

**Mr. MacEwan:** What party do you belong to now? You should be across the floor.

**Hon. D. S. Harkness (Calgary North):** It seems with considerable difficulty I am finally going to be able to make my speech.

Mr. Speaker, I could devote all the time that is available to me to a discussion of the arguments and considerations which, in my opinion, made it desirable that Canada should acquire nuclear warheads for certain weapons systems for the use of the Canadian forces. However, for a variety of reasons I am not going to follow that course.

First of all, I spent some two and a half years putting forward these considerations and arguments, and I do not think there is anything to be gained by repeating them once more at this time, especially in view of the fact that the present Minister of National Defence repeated a number of them in his speech yesterday. I can only regret that he and the other members of his party did not come to this same decision some one and a half to three years earlier than they did. This might have avoided the whole subject of nuclear arms becoming the matter of partisan political argument which it did and has become.

I will not follow that course for another reason. Most hon. members are aware that all of the polls held on this subject in the period from six months to a year ago indicated the fact that a considerable majority of Canadians who had any opinion on it were in favour of the acquisition of nuclear arms. Therefore there is no need to make further efforts to convince the general public of that fact. Furthermore, in my view this matter was settled by a vote of the house in the early part of the session, and therefore should not have been revived, as it has been at this time.

There are a few things I would like to say. The hon. member for Greenwood (Mr. Brewin) cited several people, whom he looked upon as experts in this field, as saying nuclear arms for Canada were not needed and were not desirable. On any military matter, and particularly on the subject of any type of weapon you will have a variety of opinion so far as the experts, real or so-called, are concerned.

This is inevitable, and one can cite all kinds of people on both sides of the question. However, in my opinion there was no doubt that the great bulk of informed military opinion was convinced of the fact that nuclear weapons were necessary and desirable, so far as the weapons systems in Canada for which they were proposed and for which they are now being put into effect were concerned.

I doubt very much whether anything is going to be gained at the present time by great repetition of the views and opinions of experts on one side of the question or the other.

The hon. member for Lapointe (Mr. Gregoire) said that Quebec wishes Canada to work for peace. I should like to make it quite clear that I think everyone in this country who is concerned with attempting to get nuclear weapons for Canadian forces is also just as much concerned to work for peace. In fact, I believe quite firmly that the best method of ensuring that we will have peace and that there will not be the outbreak of another world conflict is to keep the western world strong. To do that, each member of the western alliance has to play its due part and take its due burden of responsibility for the defence of the west. As far as Canada is concerned, in my view that involves our making use of nuclear weapons. So much for the nuclear weapons question.

I should now like to say something about the cancellation of the general purpose frigate program. The main point I have to make is that this cancellation is, in effect, a decision to reduce Canada's naval contribution to NATO. Last Friday I asked the minister of defence whether the government had made a decision to reduce our naval contribution to NATO, and his reply was no. I accept that, of course, as the case; no formal decision in that regard has been made. But it appalls me that a decision has been made to scrap the general purpose frigate program without having something else to put in its place, or without the realization that by taking the decision to scrap the program Canada has decided, in effect, to reduce its contribution to NATO, which reduction is inevitable.

Anybody experienced in naval shipbuilding programs is well aware of the fact that such a program is a very long and lengthy process. To begin with, a great deal of time is involved in attempting to assess the best type of ship to build. After that decision is reached a great deal of time is involved in drawing up the plans and finding out where to fit in the multitudinous electronic devices necessary at the present time, the armament, and so on. Then there is a further lengthy period before construction actually gets under way and is completed. So that a naval building program is a very long term project.

The general purpose frigate program having been cancelled, I think there is no question that because nothing has yet been decided upon to take its place all these lengthy processes I have mentioned cannot be brought under way. As the present ships in the navy are taken out of commission or wear out there will be nothing to replace them. Therefore, Canada's navy in the years ahead will be reduced in size and effectiveness. I think there is no use our blinking at that fact; that is inevitably the situation.

As far as the adoption of any particular ship or weapons system is concerned, arguments for or against each one can be made. As I mentioned before, you can get expert opinion both pro and con in regard to any one of them. What has to be done is that an assessment has to be made of the value of a particular ship or piece of equipment compared with another, and a final decision come to as to which will best meet the general purpose you have in mind. One of the arguments made against the general purpose frigate is that its speed is not as great as that of a nuclear submarine. No surface ship of any size is able to go as fast as the present nuclear-powered submarines can go under water. Therefore, this argument, if made against the general purpose frigate, can also be made against any type of surface vessel of any size. The position may be changed by development of larger-sized hydrofoil vessels, but so far there has been no such development. And whether it would be successful in any event we do not know—especially the development of vessels with a good deal of endurance in the matter of the time they can spend at sea, and other matters.

I do not think that anyone who has had experience in these matters would for a moment become completely wedded to one particular ship or type of equipment and say that that was the only one of any use, that nothing else would do and that we must proceed with it no matter what the consideration. On the other hand, I think that merely to discard a particular type of weapon or particular type of ship, as in this case, without having anything to replace it, is shortsighted policy and one which does not tend to maintain or build up the strength of Canadian forces or to maintain our contribution to the NATO forces of the west.

A considerable number of people in this country would like to see military expenditures of all kinds reduced, and I can sympathize with this view. But the actual fact is that our contribution to the forces of NATO calculated as a percentage of the gross national

product has been going down steadily. Our gross national product has been going up; the actual forces contributed have remained approximately the same.

We have been able to counter complaints on that score by pointing out that our contribution has been that which we agreed to make, which we have kept up, and so on. If we start to reduce it we will get into the position where we can properly be accused by our allies of not pulling our weight in the total western effort. As a result, I hope the government will reconsider this scrapping of the general purpose frigate program. If they are not prepared to do that, I hope they will be able to produce immediately an alternative in sufficient time to meet the gap which will otherwise exist. However, I do not think that is possible. Therefore, the only way in which our naval strength can be kept up and our commitments to NATO met is to proceed with the general purpose frigate program.

This program, Mr. Speaker, was not conceived in haste. This frigate was the type of ship required for replacement purposes and one which had received a tremendous amount of study and development. All sorts of alternatives were considered, and eventually our naval experts recommended that this type of ship be built, as one which would be best adapted to the needs of the future for the next 15 to 20 years. That opinion was concurred in by the chiefs of staff, a recommendation made to me, and I spent a very long time going into it and subsequently recommended it to cabinet, after being convinced that the alternatives suggested, some of which some people wanted to proceed with, would not be as good.

I do not think that the period of review which the minister mentioned will change the basic situation at all. He can continue to review the subject for as long as he likes, but I think he will still be faced with the identical considerations, and the same decisions which have to be made, as I was when minister of defence. I doubt very much whether any alternative can be produced which is better, and I am quite certain that none can be produced in time.

I do not want to take undue time, Mr. Speaker, but I should like to mention one othe matter, namely the question of the Penhold air base which was dealt with this afternoon by the hon. member for Macleod (Mr. Kindt). I agree with him that the excuse given, that the air base will be closed by reason of safety factors, just does not hold water. One has only to consider the fact that in the city of Ottawa there is a squadron of operational jets based at the same airport used by civilian traffic. No question has been raised that the airport is not safe with this squadron there. As a matter of fact, the amount of traffic in and out of Ottawa is much greater than the amount of air traffic passing through Penhold. This is another decision which I hope will be looked at and rescinded. A large amount of money has been spent on Penhold and on the new buildings there. If a decision has been made to reduce the number of R.C.A.F. stations, there are other stations, on which a great deal less money has been spent, with largely second world war buildings, and things of that kind. It would be much more economical and sensible to close some of these stations than to close a station like Penhold which represents a very big investment for the Canadian taxpayer.

**Mr. Balcer:** May I call it six o'clock, Mr. Speaker?

**Mr. Speaker:** It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

[*Translation*]

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, just before I came into the house, a friend of mine told me: "After what occurred this afternoon, your speech had better be interesting."

I must say that if I speak tonight, it is because I understand deeply the problems facing the house at the present time. Some people even say that the government may be overthrown by the vote on the subamendment, but I do not think it will, because the group who moved the subamendment merely used a trick as old as the hills, namely submitting a question of policy to the house, but surrounding it by all sorts of qualifications which ensure its rejection even before it is submitted.

I declare that the subamendment moved by the Ralliement Creditistes is an underhanded one, the result of which will be to maintain this government in office.

As far as we of the Conservative party are concerned, we are anxious to overthrow the government as soon as possible. We are not afraid of a general election; we hope that it will come soon. The subamendment, as drafted, is contrary to all parliamentary government principles of a federal state. And at this stage, may I be allowed to read the subamendment:

Through the servile acceptance of nuclear arms stored within the territory of the state of Quebec, in spite of the vigorous protests—

*Abandonment of Defence Projects*

I think that this subamendment is completely inconsistent. In brief, what our friends of the Ralliement Creditistes are saying is that they are a little against nuclear arms, and that, in a certain part of Canada only. That reminds me of someone who had travelled in Europe and had visited the place des Pyramides where the statue of Joan of Arc was erected. And when he came back, if someone asked him whether it was an equestrian statue, our traveller answered: "It is a little bit equestrian".

Such is the stand taken by the members of the Ralliement Creditistes. They are against nuclear arms, but only a little bit.

If you analyse the observations made by the hon. member for Labelle (Mr. Girouard) this afternoon, and if you consider the terms used in the subamendment itself, without any consideration for constitutional points of view or for national unity—matters which do not seem to concern our friends in the Ralliement Creditistes—you find out that if the subamendment were passed, that would mean that the house decided there would be no nuclear arms, only in the province of Quebec, but it would also mean that our friends sitting in the far corner of the house are in favour of nuclear arms for the rest of Canada.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker—

**Mr. Balcer:** What an inconsistent attitude.

**Mr. Gregoire:** Mr. Speaker, I rise on a point of order—

**Mr. Speaker:** Order. In view of the fact that there are only a few minutes left, I think we could allow the hon. member for Three Rivers to proceed with his observations.

**Mr. Balcer:** Mr. Speaker, if the house adopted the subamendment, would that mean that the house is in favour of nuclear arms in North Bay, Edmundston, Ottawa, but not in Hull?

At once, you can see the inconsistency of the subamendment which I think is absolutely ludicrous. We, Conservatives, have objected to nuclear weapons throughout Canada, from the Atlantic to the Pacific, on Vancouver island as well as in Newfoundland and this before, during and after the general election.

As for our Liberal friends, they are in favour of them today, but they were strongly against them before the last general election.

This afternoon, someone quoted the speech made by the member of Laurier (Mr. Chevrier) during the memorable election campaign in the Labelle constituency where he drew a frightening picture of the La Macaza base. He then stated that the Bomarc base in La Macaza would result in the death of thousands of persons in Labelle and that for that reason, the constituents should vote against the Conservative candidate.

And it is that same member for Laurier who said before 4,500 people during the last election campaign, as evidenced in a newspaper article:

Chevrier. No atomic bomb in Canada ever.

Mr. Speaker, that is what happened during the last election campaign, and I understand the concern of many citizens about the shifting of attitude of this government.

As far as the amendment to the amendment is concerned, I repeat that it is irresponsible, contrary to common sense and that its only result would be to maintain the Liberal government in office. But, what is worse, this subamendment runs counter to Canadian tradition and national unity. In fact, it reveals an anticonstitutional attitude. It is a subamendment that I would describe as separatist, moved by people who claim not to be separatists.

They want legislation which would apply only in the territory of the province of Quebec.

Mr. Speaker, this is not the way to build a country. Are we going to have ten family allowance acts? Are we to have different rates in the different provinces of Canada? Are we going to set up different federal tax structures in Manitoba, in Vancouver and in Nova Scotia? That would create utter confusion, Mr. Speaker.

Worst of all, sir, is the irreparable wrong that subamendment, and everything it stands for, can do to national unity, to the ties of mutual friendship, respect and pride that every member should be duty-bound to promote in Canada.

We have not been elected to bisect the country, but rather to consolidate and favour mutual understanding not only between the two great races which form it, but also between the different provinces.

Mr. Speaker, I am a member—

**Mr. Gregoire:** I rise on a question of privilege, Mr. Speaker—

**Mr. Balcer:** I am a member for Canada, I have been elected in Three Rivers, a city 97 per cent of which—

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I rise on a question of privilege—

**Mr. Balcer:** —97 per cent of which is French speaking. The people I represent do not have any inferiority complex. I am proud of being a French Canadian and—

**Mr. Speaker:** Order. The member for Villeneuve is rising on a question of privilege.

**Mr. Caouette:** Mr. Speaker, I rise on a question of privilege. The hon. member for Three Rivers is giving a dishonest interpretation of the subamendment. There is no suggestion of a division in the subamendment.

**Mr. Speaker:** Order. The hon. member for Three Rivers has the floor and I would suggest he continue with his remarks.

**Mr. Balcer:** Mr. Speaker, I am not here to legislate only in matters of interest to my province. I am here to take an interest in the affairs of the whole country. I know for a fact that the province of Quebec will be strong and prosperous inasmuch as the whole of Canada is strong and prosperous, and vice versa.

I am here to lend a hand to all members, be they French speaking or English speaking, who want to work for the good of our country. Indeed, such are the basic principles of the Conservative party which led to the birth of confederation as we know it today.

Mr. Speaker, we are against nuclear stockpiling anywhere in Canada, especially when it is forced upon us by foreigners.

One of the members of the Ralliement Creditistes claimed that he was the spokesman for the province of Quebec in the house. Well, it would be most depressing, to say the least, if this ridiculous subamendment expressed the views of the people of Quebec.

We are glad that the province of Quebec is undergoing great social changes at present. French Canadians intend to exercise all their rights as citizens of Canada, and they are willing to assume their responsibilities. The French Canadians I know wish to play a role of national importance; they will not be confined within a ghetto as the Caouette group advocates.

Mr. Speaker, if the latter had wanted to defeat the government, they would have moved a subamendment which would apply to the whole of Canada. Instead, they propose a division of Canada which would turn the province of Quebec into a reserve.

[*Text*]

**Mr. Speaker:** Order. It being 8.15 o'clock p.m. it is my duty, pursuant to section 4 (d) of standing order 56, to interrupt these proceedings and put forthwith the question on any amendment or amendments now before the house.

The house divided on the amendment to the amendment (Mr. Caouette) which was negatived on the following division:

*Division*

YEAS

Messrs:

Beaule
Belanger
Boutin
Brewin
Caouette
Côté (Chicoutimi)
Dionne
Douglas
Frenette
Gauthier
Girouard
Gregoire
Herridge
Knowles
Langlois
Laprise
Latulippe
Lessard (Lake St. John)
Marcoux
Martin (Timmins)
Orlikow
Ouellet
Perron
Plourde
Prittie
Rondeau
Webster—27.

NAYS

Messrs:

Addison
Aiken
Alkenbrack
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Balcer
Baldwin
Basford
Batten
Bechard
Beer
Bell
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cardiff
Cardin
Caron
Carter
Cashin
Casselman, Mrs.
Chatterton
Chevrier
Choquette
Chretien
Churchill
Clancy
Coates
Cooper
Côté (Longueuil)
Cowan
Crossman
Crouse
Cyr
Danforth
Davis
Deachman
Denis
Deschatelets
Diefenbaker
Dinsdale
Doucett
Drouin
Drury
Dube
Dupuis
Emard
Enns
Ethier
Eudes
Fane
Favreau
Fleming (Okanagan-Revelstoke)
Forbes
Forest
Forgie
Foy
Garland
Gelber
Gendron
Gordon
Grafftey
Granger
Gray
Greene
Groos
Guay
Gundlock
Habel
Hahn
Haidasz
Hales
Hamilton
Harkness
Harley
Hays
Hellyer
Honey
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jorgenson
Kelly
Kennedy
Kindt
Klein
Korchinski
Lachance
Laing
LaMarsh, Miss
Lamb
Lambert
Lamontagne
Lamoureux
Laniel
Laverdiere
Leduc
Lessard (St. Henry)
Loiselle
Loney
Macaluso
Macdonald
MacEachen
MacEwan
MacInnis
Mackasey
MacLean (Queens)
MacNaught

*Division*

Macquarrie
MacRae
McBain
McIlraith
McMillan
McNulty
McWilliam
Madill
Mandziuk
Martin (Essex East)
Martineau
Matheson
Matte
Millar
Mitchell
Monteith
Moore
More
Moreau
Morison
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Noble
Nowlan
Nugent
O'Keefe
Otto
Pascoe
Paul
Pearson
Pennell
Pepin
Peters
Pickersgill
Pigeon
Pilon
Pugh
Rapp
Rheaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Rynard
Sauve
Scott
Simpson
Skoreyko
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Tardif
Teillet
Temple
Thomas
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Weichel
Whelan
Willoughby
Winkler
Woolliams—210.

**Mr. Speaker:** I declare the amendment to the amendment lost.

**Mr. Chapdelaine:** Mr. Speaker, I was paired with the hon. member for Halifax.

**Mr. Stewart:** Mr. Speaker, I was paired. Had I voted I would have voted against the subamendment.

**Mr. Lloyd:** Mr. Speaker, I was paired. Had I voted I would have voted against the subamendment.

**Mr. Thompson:** Mr. Speaker, I was paired with the hon. member for Carleton (Mr. Francis).

**Mrs. Konantz:** Mr. Speaker, I was paired. Had I voted I would have voted against the subamendment.

**Mr. McIntosh:** Mr. Speaker, I was paired with the Minister of Trade and Commerce (Mr. Sharp). Had I voted I would have voted against the subamendment.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

[Mr. Speaker.]

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cantelon
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Enns
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Grafftey
Gundlock
Hales
Hamilton
Harkness
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Korchinski
Lamb
Lambert
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Pascoe
Paul
Pigeon
Pugh
Rapp
Rheaume
Ricard
Rynard
Simpson
Skoreyko
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler
Woolliams—85.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Beaule
Bechard
Beer
Belanger
Benidickson
Benson
Berger
Blouin
Boulanger
Boutin
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Cardin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Dionne
Douglas
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Favreau
Fisher
Forest
Forgie

| | |
|---|---|
| Foy | Marcoux |
| Frenette | Martin (Essex East) |
| Garland | Martin (Timmins) |
| Gauthier | Matheson |
| Gelber | Matte |
| Gendron | Mitchell |
| Girouard | Moreau |
| Gordon | Morison |
| Granger | Mullally |
| Gray | Munro |
| Greene | Nicholson |
| Gregoire | O'Keefe |
| Groos | Orlikow |
| Guay | Otto |
| Habel | Ouellet |
| Hahn | Pearson |
| Haidasz | Pennell |
| Harley | Pepin |
| Hays | Perron |
| Hellyer | Peters |
| Herridge | Pickersgill |
| Honey | Pilon |
| Howard | Plourde |
| Howe (Hamilton South) | Prittie |
| Jewett, Miss | Richard |
| Kelly | Rideout |
| Klein | Rinfret |
| Knowles | Robichaud |
| Lachance | Rochon |
| Laing | Rock |
| LaMarsh, Miss | Rondeau |
| Lamontagne | Rouleau |
| Lamoureux | Roxburgh |
| Langlois | Ryan |
| Laniel | Sauve |
| Laprise | Scott |
| Latulippe | Tardif |
| Laverdiere | Teillet |
| Leduc | Temple |
| Lessard (Lake St. John) | Thompson |
| Lessard (St. Henry) | Tremblay |
| Loiselle | Tucker |
| Macaluso | Turner |
| Macdonald | Wahn |
| MacEachen | Walker |
| Mackasey | Watson (Chateauguay- |
| MacNaught | Huntingdon-Laprairie) |
| McIlraith | Webster |
| McMillan | Whelan |
| McNulty | Winch—155. |
| McWilliam | |

**Mr. Speaker:** I declare the amendment lost.

**Mr. McIntosh:** Mr. Speaker, I was paired with the Minister of Trade and Commerce (Mr. Sharp). Had I voted I would have voted in favour of the amendment.

**Mr. Cardiff:** Mr. Speaker, I was paired. Had I voted I would have voted in favour of the amendment.

**Mr. Stewart:** Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

**Mr. Lloyd:** Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

**Mrs. Konantz:** Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

PENSIONS—ALLEGED DELAY IN PROCEEDING WITH LEGISLATION

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, before the house reaches a decision on the main motion I rise to register a grievance. The grievance I wish to raise is that we have been completely unable in the latter part of this session of the House of Commons to get a clear statement from the government that it is going to proceed at this session of parliament with one of its own major pieces of legislation. I refer to the Canada pension plan. Every hon. member in this house knows that the Canada pension plan was a major point in the platform of the Liberal party during the election which the Liberals won on April 8 this year. I do not think it would be out of place to say that if it had not been for the precise nature of that promise, the clearcut way in which it was put, and for the assurance to the Canadian people that the Canada pension plan would be brought in right away, there is every possibility that the Liberals would not have won the election on April 8. It was the keystone in the arch of their program, and I submit that we in this house and the people of this country have a real grievance because of the delay on the part of the government in proceeding with this plan. Moreover, the government is still unwilling to tell us that the plan will be proceeded with at this session of parliament.

It is very popular in the House of Commons, particularly just after an election campaign, to produce the election literature published by other parties. I have in my hand a copy of a leaflet put out by the National Liberal Federation of Canada entitled "Better Pensions for All".

**Some hon. Members:** Hear, hear.

**Mr. Knowles:** I note the support which there appears to be on the Liberal side of the house for this plank in the Liberal platform, and I hope those on the treasury benches will note the support of the backbenchers and give them a chance at an early date to vote for this plan. I note that that request which I have just made on behalf of the backbench Liberals to their cabinet ministers has been endorsed by the backbench Liberals.

In this leaflet the details of the proposed plan were spelled out quite fully, and I notice in the leaflet these two significant sentences:

> This plan has now been developed. A new Liberal government can act promptly.

I am sure, Mr. Speaker, that everyone in Canada, both those who supported the Liberals and those who were opposed to them,

believed that the Liberals meant this promise, and that they would act upon it in this session of parliament. So when we came here for the opening of the session on May 16 we were not surprised—indeed we were pleased—to hear in the speech from the throne read to us in the other place, as recorded on page 7 of our own *Hansard* for May 16, the promise that this Canada pension plan would be implemented. The paragraph reads in these words:

> My ministers have undertaken to establish a comprehensive system of contributory pensions. The new pensions will be co-ordinated with the existing provisions for old age security, for the purpose of enabling all Canadians to retire in security and with dignity. While the arrangements required for this great advance in the social security of our people are necessarily complex, the legislation submitted to you will be designed to make the new pension plan operative as soon as possible.

A few days later, Mr. Speaker, the Prime Minister (Mr. Pearson), when taking part in the debate on the address in reply to the speech from the throne, uttered these interesting words as reported in *Hansard* for May 20, 1963, at page 57:

> We said during the campaign and subsequently —and, indeed, earlier in this house, in more detail, I believe, than any opposition party ever gave before, what we would do and in what order we would do it. Now we are taking steps to do what we said we would do. The intentions of the government as set out this year in the speech from the throne are not vague aspirations to be acted on some time, maybe never. We have set out simply in the speech the main matters we intend to bring forward during this session.

There you have, Mr. Speaker, a clear confirmation of the Liberal promise during the election campaign to bring in the Canada pension plan, a promise set out in the speech from the throne and confirmed by the Prime Minister in his first major speech in this House of Commons. Despite that kind of assurance, some of us have had previous experience in parliament of the Liberal party. I recall particularly their first announcements and promises to the Canadian people in the field of social security. They were made in 1919, and some of us know how long it took to get some of those promises implemented. We are still trying to get implementation of some of the things promised in 1919.

**Mr. Pickersgill:** I wonder if the hon. gentleman would permit a question. Would he mention a single piece of social legislation promised by the Liberal party in 1919, or even as late as 1945, which has ever been introduced and enacted in this parliament by any party other than the Liberal party?

**Mr. Knowles:** The Secretary of State seems to be proud of the way in which the Liberals have been prodded by opposition parties into bringing forward some of the measures which they themselves advocated. In 1919 the Liberal party promised old age pensions, unemployment insurance and health insurance. It was seven or eight years before we got old age pensions. It was 21 years before we got unemployment insurance. We are still waiting for health insurance. So I suggest that if the Secretary of State has any more questions he might word them more appropriately.

**Mr. Pickersgill:** I notice the hon. gentleman did not answer my question.

**Mr. Knowles:** Because of this experience, some of us began early in this session trying to pin the government down, to secure a firm undertaking that the government would go through with the implementation of the Canada pension plan. The Minister of National Health and Welfare knows what she said when I asked her the first few times about the plan. She told me to contain myself in patience, that I would soon see the bill. I kept on asking her. I put questions to her on this subject on May 20 and May 22, and each time I was told the legislation would come soon. Then, on June 8 the hon. lady went to Hamilton and made a speech before a Liberal organization down there giving details of the Canada pension plan which was to be introduced in the House of Commons. A couple of days later I asked her if she would be good enough to tell the house what she had told the Liberals in Hamilton. She assured me that the details of the plan would soon be placed before us. On June 19, incidentally, the 59th day this government was in office—everyone knows how those first 60 days went by—the minister did succeed in giving notice of the resolution preceding the bill to set up the Canada pension plan. It appeared on our notice paper on June 20, which was the 60th day the present government was in office. And the government was very proud that it had got that far in the first 60 days. But all of this is to be seen in the light of the election promise that Liberal government would be prepared to act promptly in this matter.

On June 21, the resolution was transferred from government notices of motion to government orders and it looked as though we were making progress. A few days later the Prime Minister (Mr. Pearson) sent his famous letter to the premiers of the provinces about questions of social security beyond old age security and beyond the Canada pension plan, which seemed to me to suggest that a way was being opened up for delay. So I asked the Prime Minister on June 26 whether the result of his letter might be to cause delay in the implementation of the Canada pension plan. The right hon. gentleman assured me that such would not be the case. That is the story over a considerable period of time. There was

the promise of action, confirmation of that promise, assurances that if we would just wait we would see the bill and get going. Finally, on July 18, the motion respecting the resolution preceding the bill to bring in the plan was moved by the Minister of National Health and Welfare. As hon. members all know, we had that one day's debate, and that is all the opportunity we have had for discussion of the matter in this house.

I would remind hon. members opposite that during the debate of July 18 the hon. lady said some interesting and significant things. She said the plan had been worked out in considerable detail, and I agree with her. She said that, provided the house could move with reasonable expedition in passing this legislation, it would be possible for contributions to the new plan to commence in October, 1964, and for certain of the benefits under the plan to begin in January, 1966. There were two main benefits which were to start in January, 1966. The first was to be payments under the pension plan itself of say, $10 a month, to people who had contributed for a couple of years and who had reached the age of 70. The other benefit would be the right of people to take a pension at an earlier age, such as 65 or any age between 65 and 70.

The point I wish to make is that the Minister of National Health and Welfare made it clear that, in order to get the plan going so that contributions could be made in October of 1964 and so that people could begin deriving benefits by January, 1966, the legislation had to be put through parliament as expeditiously as possible. Yet here we are at the end of October, having waited since July 18, and this house has not been given an opportunity to proceed further with that legislation.

All of us know what has happened in the meantime—the furore which has been raised about the plan, notably by the insurance companies and other private interests who think that pension plans of this sort should not be handled by the government. We know there have also been complaints by some of the provinces which resulted in this question being discussed at the federal-provincial conference held while the house was in summer recess. I recognize that, as a result of what took place at that conference, certain decisions were made and certain changes were made. It was decided at that time, I think partly because of what happened at the conference but partly because of protests which came from opposition parties and from people throughout the length and breadth of the country, to separate the $10 increase in old age security benefits from the Canada pension plan and to put it into effect forthwith. That was a good decision. That increase was brought in on September 30, or at least it was first moved on that date, and now it is part of the law of the land. But one of the by-products of this change has been that nothing further has been done to go ahead with the Canada pension plan itself.

The minister may say there was an undertaking to consult with the provinces and that there is another federal-provincial conference coming up in the month of November to discuss this plan and other related matters. But surely we have the right to know the intention of the federal government with respect to this legislation, which is still on our order paper and concerning which nothing has been done since July 18. Attempts which have been made since we resumed on September 30 to extract from the Minister of National Health and Welfare or from the Prime Minister any kind of assurance that the measure will be proceeded with at this session have been utterly unsuccessful. This is so, despite the fact that the hon. lady herself pleaded, on July 18, for expedition so that the benefits of the plan could reach our people at the earliest possible date. On September 30, when the Minister of National Health and Welfare introduced a resolution providing for the $10 increase in old age security payments she said this, as reported in *Hansard* at page 3038:

> This present measure is a solid step in the right direction but the government sincerely hopes that the Canada pension plan will be introduced before too long to provide adequately for the retirement of our older people.

During the election campaign there was no doubt about it. It would be done. According to the speech from the throne, it would be done. According to the speech made by the Prime Minister in the debate on the address, it would be done. Throughout May and June the minister told us to possess our souls in patience, because it would be done. But on September 30 the hon. lady merely hopes it will be introduced before too long.

By October 15 I was finding it difficult to possess my soul in patience much longer. So I asked the Prime Minister whether he could give us an assurance that the plan would be proceeded with during the present session. In reply, as is reported on page 3579 of *Hansard* for October 15, the right hon. gentleman said:

> We intend to proceed with legislation in this matter as soon as possible.

The exchange continued:

> Mr. Knowles: Would it be possible for the Prime Minister to say whether that "as soon as possible" means this session?
>
> Mr. Pearson: It depends among other things on the hon. gentleman and all hon. members of the house and how long we take over the legislation we are now considering.

*Pension Legislation Delayed*

This refers to legislation which had been promised, legislation which was considered so important that it was the keystone in the arch of the Liberal victory in April; it was something many people had counted on; it was legislation which they had been led to expect would be enacted promptly. Yet now it is given such low priority that time spent by hon. members in discussing almost any other matter is allowed to stand in the way of its implementation.

On October 18, as reported at page 3735 of *Hansard,* I asked the Prime Minister, because there had been a statement on this subject by Premier Robarts, whether we could have an assurance that the plan would be proceeded with at this session of parliament. His answer was:

I have already indicated that the Canada pension plan will be proceeded with as soon as possible.

I then asked as a supplementary question:

Is the Prime Minister aware of the fact that that answer has been interpreted as meaning the plan is to be put off until a later session? Can he not give a definite answer with respect to this session?

To this, the Prime Minister replied that he was not responsible for other people's interpretations. When my hon. friend from Burnaby-Coquitlam made an observation to the effect that this interpretation was apparently being made by none other than the premier of Ontario, the Prime Minister replied:

Any interpretation of that kind that the plan will not be proceeded with at this session would certainly be premature.

He did not deny the interpretation. He just said it was too soon to put that kind of interpretation upon it. A few days later I asked the Prime Minister if he would give the house a line-up of the business to be dealt with during the balance of the session, and he indicated he would. It is no secret that one of the things I hoped he would include in that list was the Canada pension plan legislation. I got no satisfaction in that respect. On the orders of the day this afternoon, I asked the question whether in view of the statement which the Minister of National Health and Welfare made to the national Liberal women's federation yesterday, that the plan would be proceeded with either this session or at the next, the Prime Minister could tell us which it is to be—this session or next. He gave the same answer—"as soon as possible".

The other day in another exchange the Minister of National Health and Welfare said that the government is as interested as ever in the Canada pension plan and is discussing the matter with the provinces. Surely, Mr. Speaker, my grievance is quite clear that there is a world of difference between the assurance in the election campaign that it would be proceeded with, between the categorical statement in the speech from the throne that it was coming, between the Prime Minister's assurance in his speech that these things would be proceeded with at this session, between the earlier statement of the Minister of National Health and Welfare that her career was tied to this pension plan and if the pension plan went down she would go down too, between all of these assurances and the statements we are now getting that it will be as soon as possible, maybe this session, maybe next, and that the government is still interested in the Canada pension plan.

I think that statement of the Minister of National Health and Welfare is really the pay-off. This is the government's baby. This is the keystone in the arch of the Liberal success at the last election. This was the one precise proposal. Most of the rest of the things that the Liberals talked about in the campaign, apart from the position they were going to take on nuclear arms, were in vague generalities. Here was something that was precise. But now, instead of its being something about which we can get a firm answer that the government is going ahead, we are told by the responsible minister, the minister who was prepared to tie her career to this, only that the government is still interested in the Canada pension plan. We contend that this house deserves more than that from the government. We contend that the people of Canada deserve more than that from the government. We contend that we have the right to the assurance that this plan is going to be proceeded with at this session of parliament.

As I have already said, the Minister of National Health and Welfare herself gave a timetable when she spoke on the 18th of July. Surely this makes it quite clear that if the plan is not proceeded with at this session, if it is put off until 1964, the whole timetable will have to be pushed along. That will mean that contributions will not start in the fall of 1964 but will start in 1965 or 1966 or 1967. Every year that the beginning of the contributions is put off puts off the first year in which benefits will be enjoyed by people who are reaching the age of 70. If the plan were carried forward as promised it would mean that people who are now 68 years of age could count on an addition to their old age security out of the Canada pension plan when they reach 70 and, of course, people 67, 66 and down could all count on such a supplement. But if the plan is put off it means that the 68-year olds can kiss that idea goodbye. It means it is gone for the 69-year-olds. It means we will have again another round of the whole need for raising the flat rate benefit of old age security itself.

I should like to stress this angle, that the whole question of getting our old age security on a good, firm, sound basis ought to be by means of combining a contributory plan with the flat rate benefit, and unless we do it at a time like this we are going to have to change the relationship, change the calculations, increase the old age security benefit again and go through the whole round with all the difficulties we have had.

I submit, Mr. Speaker, that not only was this one of the major promises in the Liberal platform at the last election, but that it is the most important domestic issue that has been placed before parliament. As I say, it was put on the order paper back on the 20th or 21st of June and was first debated on the 18th of July. But now it stands waiting while the government tries to make up its mind whether it is just interested in the plan or whether it is really going to go ahead with it.

A good deal gets said in the course of all this about the position of the province of Quebec and the position of the province of Ontario. The federal government talks more about Ontario than it talks about Quebec, although Mr. Lesage is making it just as difficult to bring this plan into being as is Mr. Robarts. But I should like to make the point that Mr. Robarts' statements have been pretty clear. There was a real fight over this matter in the recent Ontario election and an attempt was made to cast Mr. Robarts in the role of being an opponent of the Canada pension plan. Maybe in some respects he was. Maybe he preferred his plan. But since the election he has given a clear indication that if the Canada pension plan is going to be brought in his government will delay the implementation of the portable pension plan proposed for Ontario. But he has said that if the Canada pension plan is not put through at this session, if it is shelved, then Ontario will have no option but to bring in its plan and to provide for it to become effective perhaps in 1965.

It seems to me that is not a threat on the part of Mr. Robarts. I am the last person in the house who feels any need to defend Mr. Robarts, but I suggest we need to look at this thing fairly. He has not posed any threat. As a matter of fact, he has left the door open for the federal government to bring in its plan at this session. He is trying to hurry the federal government along. I understand that the Ontario government has named its members to a committee to discuss the technical aspects of the whole business with the federal government, and it seems to me that so far as public representatives are concerned, so far as the public view is concerned, the time is ripe for the plan to be proceeded with at this session of parliament.

I urge, Mr. Speaker, that we do not continue to be given these "as soon as possible" answers, that we do not continue to be told that the government is merely interested and, above all, I suggest that the government must not use the excuse that it cannot get on with this business because the house does not deal with other matters as expeditiously as it would like. As I pointed out when I put a question to the Prime Minister the other day, there are 20 or 25 items of business on the order paper. When house business is announced there are never more than four or five referred to. There are another 15 or 20 that are never suggested. We may get some light on the government's intentions on Monday, but so far we have no list of priorities. We feel this subject should be given top priority and that there should be no further delay in assuring the house that it will be proceeded with at this session.

I am prepared to hear the government say that the motion cannot be proceeded with until after the federal-provincial talks have been held in the month of November, but there is no question but that this session of parliament is going to last quite a bit longer than that. I think we are all assuming we will be here pretty well up to Christmas eve, if not longer, and I think we should have the positive assurance of the government that as soon as the November talks are over this plan will be proceeded with.

Obviously some changes are going to have to be made. The resolution that is still on the order paper and which was debated on the 18th of July does not take into consideration the fact that a $10 increase has now been made in old age security payments. It does not take into consideration the opting out that Premier Lesage has expressed on behalf of Quebec. These facts have got to be met. Let us have them met. Let us have a new resolution introduced. Let us have a new actuarial report similar to that excellent one prepared by the government actuary, so that we will have that picture up to date.

In my view the Minister of National Health and Welfare has done a good job in trying to answer attacks on the plan by the insurance companies. The speech that was made in her name in Toronto on Monday, September 30, by her parliamentary secretary, was an effective answer to the insurance companies' attacks on the plan. But in the meantime we read in the column in *Maclean's* magazine written by no less a friend of the Liberal party than Peter Newman that the Minister of National Health and Welfare has only five other members of the cabinet who still support her on this plan, and at the same time the Prime Minister himself says only "as soon as possible".

This, Mr. Speaker, is not good enough. This is an important item in the Liberal government program, but it is more than that. It is something that now belongs to the House of Commons. It is something that now belongs to the Canadian people. The responsibility for any further delay rests upon the government and I call upon the government for a clear statement that the plan will be proceeded with at this session of parliament.

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, my hon. friend has raised as a grievance this evening the Canada pension plan and the fact that it has not proceeded through all stages in the house. He has asked as well for a clear statement that the government will proceed with the plan during this session which, as my hon. friend knows, perhaps has only another month or two to run. I should like to draw to my hon. friend's attention the agenda already before the house involving business which must be done, including even supply motions and all the estimates which must be brought forward and discussed.

My hon. friend will realize how little time is left for legislation between now and the end of this session. I ask him to bear that in mind as a framework in listening to the remarks which I should like to make this evening regarding the present status of the Canada pension plan.

There is no suggestion in the mind of the government that the plan is to be shelved. I know my hon. friend has spoken as he has and has raised this matter and sought an assurance from the government because of his interest in this social legislation. I know he does not raise it in an attempt to harm the possibility of such legislation being enacted for the benefit of the Canadian people. My hon. friend knows, I think, Mr. Speaker, that I am not, by nature, a patient individual. Indeed, some misguided individuals in this country have called me precipitate on occasion. Surely then, as the minister responsible for this legislation my hon. friend must realize that my inclination would be rather to press on with the matter. This being the case he will, and perhaps other members will, understand how if I am prepared to be patient, I have the temerity to ask him and other hon. members also to be patient.

In July of this year a resolution which was on the order paper was opened for debate, and a one day debate only was had upon it. This debate occasioned the rather unusual step, namely, the introduction of a white paper on the plan in order that information might be had abroad in the country as well as in the house as quickly as possible concerning the framework of the Canada pension plan. My hon. friend knows the steps of legislation in this house much better than I, and he knows that normally we would have proceeded through the stages of the introduction of a bill in order for this amount of detail to be given. Since it was felt by the government that the details should be available as fully and as quickly as possible, a white paper was prepared and introduced on the first day of the resolution stage. This white paper set out broadly, and in some particularity, the intention of the government in respect of this legislation.

This was a matter which had priority; this was a matter included in the speech from the throne. But, Mr. Speaker, as my hon. friend knows, there is a new spirit of co-operative federalism abroad in this country, one which requires and demands further consultation with the provinces than perhaps ever before occurred. I think my hon. friend will agree with most hon. members on both sides of the chamber that such consultation is good. The federal government must bear in mind that its responsibility is to enact federal legislation. But surely, sir, it is clear that when such legislation can be of the type which could collide with provincial legislation in some field it is necessary, so far as possible, to dovetail actions on the two levels.

Until this house rose for its adjournment, no new action had been taken in the pension field in the provinces. When this government came into authority, there had been a recent enactment by the province of Ontario. My hon. friend has made a study of pensions, I know, throughout much of his public career. He is aware of the type of legislation which was enacted, but is not yet in force, in Ontario. This particular type of legislation applies to only about one half of the labour force of that province. It incorporates, so far as it is possible in a province, that principle to which I think members on all sides of the house adhere, the portability of benefits from one job to another. But it is necessarily confined only to the province of Ontario.

It has still another problem which does not attract support to it from many quarters, that is it is not a state plan as such, not introduced, funded or supported in any way by a provincial government, but is a regulatory system only. It requires any employer of 15 or more people to bring into force a contributory pension plan calling for contributions, in most cases, from both employee and employer but without stating the amount of those contributions and setting minimal standards. The minimal standards would call for in some 40 years the payment of about

$80 a month to the individual contributor. There is nothing, of course, in the legislation to prohibit any employer-employee arrangement to provide for a greater pension. But because it is compulsory on the group with which it deals, care must be taken not to require too heavy a burden, particularly with the impact all at one time, upon the Ontario employer and employee.

Now, Mr. Speaker, at least the principle of a plan which is available to every person in the labouring force of Canada, to all 6.5 million people, is the kind of principle to which this house should be addressing itself.

**Mr. Knowles:** Hear, hear; now it is unanimous.

**Miss LaMarsh:** The figures to which I have had recourse are from a 1960 publication by the dominion bureau of statistics. This indicates that about 1.7 million people in our labour force have some kind of pension plan. This does not mean that they have a full pension plan with a decent standard of repayment, but simply means that they have some kind of a plan. I do not believe that 1.7 million people out of a labour force of 6.5 million is anything near sufficient opportunity for our Canadian labour force.

Within the province of Ontario, were the Ontario legislation to be proceeded with—and I do not suggest it is bad legislation—I would suggest that type of legislation does not go far enough. By virtue of the fact it is not compulsory for all the labour force, it does not occupy the field in so far as legislation for old age purposes is concerned. Therefore, there has been an invitation to Ontario to set aside to some degree its own legislation—this after all is a decision of the Ontario legislature and not even of the federal members from Ontario—in order that a truly universal Canadian pension plan might be brought into being.

My hon. friend has referred to some recent comments by the premier of Ontario. He knows that as a result of the conference which was set up in September of this year between the officials and ministers of each province and the federal government there arose, after two days of discussion, a decision to set up a technical committee to attempt to find a solution to the problems existing as between the Ontario and federal plans. I reported, I believe the other day, and can now tell my hon. friend, that the first meeting of this technical committee will be held this week. It is not a meeting of ministers or prime ministers but of technical people only. This will, in effect, be the third time upon which there has been some kind of dialogue between Ontario and federal authorities in the field of pensions.



The first, brief though it was, was at the conference held shortly after the introduction of the resolution on the Canada pension plan, in which the premiers attended with the Prime Minister (Mr. Pearson) and had some opportunity to deal with this situation. Hon. members will recall that the matter of the municipal loan legislation was also before that meeting, and because there was such a shortage of time it was agreed that there should be a further meeting at the department level. This was held early in September. Following it, as I say, there was a decision to set up the technical committee which is now meeting.

I think it is no secret to any member of this house that in the interval there has been a provincial election in the province of Ontario, and that while an election is in progress there is a hiatus in the provincial or federal field during which no decision can be made. Accordingly, we are encouraged that the technical committee which was set up will be meeting this week and we will have a further opportunity to discuss this matter in depth with all the provinces at the meeting, which is being held to discuss all facets of dominion-provincial relations, and particularly the economic facet. This meeting is to be held here on November 25. Presupposing there was complete unanimity between the provinces and the federal government, this meeting would probably take about a week.

My hon. friend will see, then, that there would be some three weeks left in the life of this particular session. I believe my hon. friend has been watching with some care the developments in relation to the Canada pension scheme and has seen, in fact he referred to it, considerable pressure built up against it in a lobby outside of this House of Commons. While all parties have been committed to the principle of a Canada-wide contributory pension scheme, we do not know and cannot know until a vote is called in the house, how each and every member of the house is committed to either this or some other comparable scheme. It is no secret that members have been receiving a considerable amount of correspondence, and in some cases visitations here and in their constituencies from individuals whose purpose is to see that the plan is not enacted.

Some of the remarks which have been made outside this house have been unhappily most intemperate. I do not attempt now to say that some of the intemperance is not on my own part, but I feel very devoutly about this type of legislation and the necessity for its immediate introduction for the welfare of our people. If I need to make an apology

to the people of this country, it is only because I am so anxious they will have this opportunity that I have been perhaps somewhat intemperate in my remarks. But there are others who have far less excuse, others who from their position in years alone might be expected to deal with the matter in a different way.

We have had a type of document sent around the country which says, "let us create a storm"; language which has been careless in the extreme, and which on occasion has gone out of its way to indicate one point of view only, and to leave unsaid all those things which might be said on behalf of this type of scheme.

A government cannot at this stage use public funds or hire any individual to start producing glossy literature. A government has only its spokesmen and its members; but hon. members of the house have not seen the Canada pension plan, and indeed should not until we reach that stage of the legislative process where it is produced. That being the case everyone, and to some extent even the minister concerned, must feel in a vacuum, because until questions are resolved between the provinces and the federal government it is unfair to ask me to be dogmatic about certain points with respect to the plan.

I know members of parliament in all parties are anxious to go out on the hustings and talk to people in their constituencies about the benefits to be obtained, benefits which can only be obtained from a state run, universal, contributory pension scheme, but it is necessary for them to wait until that stage in the legislative process where the bill will be before them.

In the meantime public opinion is being engendered against such a scheme, and we have seen representatives of at least one industry producing material, sending it across the country, and attempting to influence people in a quasi-governmental position in our communities. Many of the individuals who produce this material do so in good faith. They simply disagree violently with this in principle, and as free citizens in a free country they have a right to say so. It may be of some concern to some individuals as to exactly whose money they are using to promote their ideas, but that is not for them to answer in the House of Commons. They have to answer for that somewhere else.

There has been fear in some parts of the country that there may be an intolerable burden introduced upon the shoulders of the manufacturers, and a fear as well that the government has acted precipitously and without understanding the problems involved, and without the requisite amount of work.



**Mr. Martineau:** That is right.

**Miss LaMarsh:** Mr. Speaker, someone says that is right. I can only assume the hon. member did not take time to read the very lengthy document which was circulated. Surely no member of the house in any party can object to the way the government has treated all hon. members in this regard. Not only was the white paper produced in both our official languages and sent to every member but, during our adjournment, the actuarial report, prepared after months of work by first class people in our public service, was sent to every member of parliament for perusal and study.

My hon. friend who speaks for the New Democratic party has himself on one occasion during the question period given an indication that a well known actuarial firm in its monthly newsletter referred in glowing tones to the government's actuarial report, and it is a fact that not one solitary voice in this country has demonstrated in any way or even attempted to attack the actuarial basis of the pension plan as being incorrect or fraudulent. The only attack upon this document has been made with respect to certain assumptions which have been made.

I am not an actuary, Mr. Speaker. My knowledge of pensions was practically nonexistent before I took this post, but I have done what I thought necessary and have worked to try to learn everything I could about pensions. However, I should like to make it perfectly clear that I have the utmost faith in those who prepared the actuarial report, and who prepared it without instructions as to what assumptions they would make.

I do not often use this word with approval, but the only instructions given the actuaries were that they were to use conservative estimates, and this they did. They prepared conservative estimates high and low. They showed to all who would read it what the plan would cost and, Mr. Speaker, we did not project it ten years, 25 years or 40 years. We projected it for nearly 100 years so that people could see what the basis was and, bear in mind, Mr. Speaker, not one person has attacked the reason for that plan.

Some assumptions have been attacked, one in particular with respect to the amount of unemployment in the short term. I repeat that no instructions were given by any representative of the government to the actuaries. They were told to use a conservative figure, and they used a figure of 6 per cent. Mr. Speaker, look at the figure produced the other day with regard to unemployment in Canada last month. I suggest to you that 6 per cent is, under a Liberal government, a

most conservative figure. Obviously therefore, if there are more people at work there will be produced, at the same rate of contribution, more money for the basis of the plan.

There were other assumptions which were attacked, some with respect to the longevity of our citizens and some with respect to the rate of immigration and the rate of fertility. These are actuarial assumptions and, in effect, as would be the case whether prepared by our actuaries or anyone else, these assumptions are educated guesses, because how can anyone in 1963 know with any degree of certainty what will be the situation of this country in 100 years? We do not know what the flow of immigration will be and what advances will be made with respect to the longevity of our people. But conservative estimates have been made, and high and low figures have been produced to indicate what the contribution rate will be.

Indeed, Mr. Speaker, in a personal attempt to find out everything I could about pension schemes, and as much as anything else to test my own belief in the public servants who were preparing this plan, I took three weeks during our break this summer and went to western Europe, to countries which are most closely comparable with Canada, to countries with which we must compete, to industrial countries, every one of which has in existence a national contributory pension scheme.

There is no question that the country to the south of us has had a similar type of scheme for some 30 odd years. The countries of Australia and New Zealand have also adopted such schemes, and they have realized, as has been suggested here, that flat rate pensions are not sufficient. I went to find out what the arguments against the introduction of such a scheme had been in countries like West Germany, Britain, France, Holland and the Scandinavian countries, and I found out that the spectres raised here were the same spectres raised by much the same interests in those countries prior to the adoption of their plans. I asked some things of government officials and ministers.

I should perhaps point out to hon. members that these plans have been enacted by almost the whole spectrum of governments in Europe, from rightist to leftist; but I asked why certain things were done, questions which cannot be answered by an exchange of correspondence but only by face to face confrontation. I at least satisfied myself that the people who worked out our plan knew exactly what they were doing. They had recourse to information respecting all these European plans, and we selected and put together what we thought was the best package possible for the people of this country.

**Mr. Valade:** May I ask the minister a question. Just as a matter of clarification, since she went to find out all the objections in European countries to this kind of scheme, could she explain to the house if she found out the real objections of Mr. Lesage and, if so, could she elaborate on this point?

**Miss LaMarsh:** I am glad my hon. friend raises this because I regret that I neglected to mention Quebec, in this particular context. Originally the question was asked of me why it was that I was directing fire against Ontario and not against Quebec. I should like to make this clear, because there is a simple answer. I am sure most hon. members of the house know the provisions of the British North America Act amendment which was enacted at the time the flat rate $40 a month old age security was brought into effect. Many people on the benches opposite and on these benches were here then. That rather peculiarly worded subsection says that there is concurrent jurisdiction in the provinces and in the federal government to deal with old age security, but that no federal legislation may affect present or future provincial legislation. Opinions have been taken as to what "affect" may mean—legal opinions from our department and the Department of Justice. It appears clear, however, that if the province occupies the field, covers it for all those in the province, makes it compulsory to all, and provides a sufficient plan, then there is no room for anyone else. There would be no room, in law, for the Canada pension plan, and not only might it be a danger to attempt to enforce it within our constitutional framework because of the social implications, but also because of the legal implications. For had the province of Quebec then attempted to fight off legally the Canada pension plan, it might have been decided to be ultra vires the federal parliament not only for Quebec but for all of Canada.

Accordingly when the resolution was enacted by the provincial legislation with Quebec declaring, as they have every right to do—and hon. members may look at the language—that they would enact a universal comprehensive plan, the federal government, in light of the legal situation and this one narrow piece of the B.N.A. Act, had absolutely no choice but to stand back from the borders of Quebec with respect to Canada pensions.

**Mr. Douglas:** May I ask the hon. lady a question. Does the government consider a resolution expressing an intention as occupying a field?

**Miss LaMarsh:** I can only say this, that the resolution was passed unanimously by the provincial legislature, and that statements have been made by the premier which indicate that if the federal government acted precipitately to come into the field, a special session would be called and legislation introduced in Quebec. I suggest it really would not matter, because even if the Canada pension plan were first enacted and subsequently a provincial plan were enacted in the province of Quebec, the same effect would follow because of the phraseology of the B.N.A. Act. There is no question that I would prefer, and I think all hon. members would prefer, to have one plan to embrace our country. This is not possible under the present circumstances unless, as they may do, and as they have the right to do, and as I would entreat them to do, the representatives of Quebec within her provincial legislature reconsider the matter and come under the umbrella of one Canada-wide plan. This and this alone is the reason why no attack has been made on Quebec, why no entreaties have been held out to her, because her legal position is so very different from that of the province of Ontario.

I was speaking before about the attacks made against this scheme. I think at least a couple of hon. members have put a motion on the order paper asking for production of correspondence dealing with the Canada pension plan. We in my department have taken a box score of how these have been running. Letters from individuals have run three to one in favour of the Canada pension plan. However, I must confess that from organizations such as insurance companies and trust company offices almost the opposite ratio has been true. It now remains to educate those in the insurance and trust company field.

**Mr. Martineau:** May I ask the hon. lady a question. If the government has given the plan such thorough study as the minister has indicated, why is it now proposed to refer the matter to a committee?

**Miss LaMarsh:** I thank my hon. friend for his question, with which I was just about to deal. I should have thought from what I have said that it was clear that it was now necessary to educate insurance men and trust company men, and the only way we can educate them—

**Mr. Martineau:** It is the government which needs educating.

**Miss LaMarsh:** I realize we cannot get them elected to the backbenches in time to deal with this plan, but we must give them the opportunity to appear before the hon. members of this house, and I would hope of the other place, who would take under their hands the study of this legislation. There has been a request from many sources in the country for a study of the Canada pension plan by a committee of this place. This government has no intention despite this minister's personal desires for precipitate action, to stampede into action which is misunderstood and against which there has been a deliberate lobby of misinformation. Accordingly, there is only one way for the people of the country to understand what this plan is, and that is to lay it before the people's representatives for study. I would hope that that committee would be set up and would call before it those who have made public statements against the principle and the details of this legislation.

Therefore, Mr. Speaker, may I say to the house that I will, as I have in the past few weeks, make available all the information possible to any and every member of this house in order that they may discuss it with their constituents and with those who would oppose it. The government will take every opportunity to discuss the matter with provincial governments, for we hope that this will lead to close co-operation and the early introduction of the legislation and, in conjunction with the studies conducted by the provinces, provide the house the opportunity for further thorough study.

I still hope this plan can be brought in and passed by all members of this house in order that the timetable which has been referred to will be met. If I may mention the timetable, it may be recalled that the registration was to be in March 1964. We hope that registration will be proceeded with, for its purpose was not only for the Canada pension plan but for a couple of other governmental purposes, namely that of the unemployment insurance commission. It is our intention to proceed with the numbering or renumbering in early 1964, provided we are able to obtain the understanding of the provinces, and to have a thorough discussion of the question in committee. There seems no reason to suppose that we will not be able with care to make the original timetable. In short, Mr. Speaker, I should like to say to my hon. friend that I am indeed grateful for this opportunity to clarify a few matters in the House of Commons, and to say that it is the intention of the government and of my ministry to continue with this legislation, which we believe will be for the betterment of all of our Canadian people.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

Motion (Mr. Gordon) 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 CITIZENSHIP AND IMMIGRATION

1. Departmental administration, $976,200.

DEPARTMENT OF DEFENCE PRODUCTION

1. Departmental administration, $9,913,200.

DEPARTMENT OF NATIONAL REVENUE

1. General administration, $5,270,500.

Proceedings reported.

## BUSINESS OF THE HOUSE

**Mr. Nowlan:** Before the house rises, Mr. Speaker, I wonder if the house leader would tell us with what business we will be dealing during the rest of this week?

**Mr. Pickersgill:** Yes, I would be happy to. It is the intention of the government, as soon as we reach orders of the day tomorrow, to go on with the second reading of the Income Tax Act, and then with the committee stage as soon as the second reading has been adopted. That will be the business also on Thursday. I have spoken to the hon. gentlemen opposite to whom I usually speak about these matters, and I understand there would be no objection, if the income tax measure should not be completed before five o'clock on Thursday, to going on with it on Thursday evening until such time as it is completed. If it should be completed before the end of the evening on Thursday I would arrange to have one of the ministers ready to go on with estimates for the rest of the evening until 10.30. Of course, on Friday evening we will take estimates. What I have in mind would be the Department of Forestry, with the estimates of the Department of Public Works available when the estimates of the Department of Forestry have been completed.



**Mr. Nowlan:** When the leader of the house suggests we continue on Thursday evening until the income tax measure is completed, he is suggesting, I take it, we go on until the usual hour of adjournment.

**Mr. Pickersgill:** Knowing how anxious hon. gentlemen opposite are to get on with the business of the country, I naturally assumed we would complete it.

Perhaps I should indicate what business would probably be taken up after the completion of the income tax measure. There is, I think, an understanding in all parts of the house that the motion in the name of the Solicitor General to refer the consumer credit question to a committee could be disposed of after one speaker from each part of the house has spoken for not more than 10 minutes. On that understanding, once the income tax measure has been completed, the government would be prepared to make this the next item of business. We would like to get the committee on the C.N.R. set up if it seemed feasible to get it through fairly quickly. We would like to oblige the hon. member for Brandon-Souris by getting second reading promptly of the two bills respecting the territories so that the committee can go on with them without delay; and there are one or two other matters which the government is prepared to move forward if there is an opportunity, so that we may get on with the Canada pension plan more quickly.

**Mr. Douglas:** What estimates will be taken on Thursday night?

**Mr. Pickersgill:** I should like to consult my colleagues, to see who would be free, and I should also like to consult with hon. gentlemen in other parts of the house.

**Mr. Nowlan:** Are there to be estimates on Thursday night?

**Mr. Pickersgill:** Only if we get through with the other business.

It being five minutes after ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Wednesday, October 30, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. WOOLLIAMS—NEWSPAPER ARTICLE RESPECTING VOTE IN HOUSE

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I rise on a question of privilege. It arises out of an article appearing in the *Globe and Mail.* I wish to show no disrespect to the *Globe and Mail;* however, in this article I am listed as one of the members who were absent on a certain vote. On that occasion I was paired, as I pointed out in the house on a number of occasions, with the hon. member for Verdun (Mr. Mackasey), who was one of the delegates to the United Nations. I believe this delegation was appointed by the Prime Minister of this country to conduct very important business at the United Nations. I was here at the building at all times during that vote and during those proceedings. This is my point of privilege. I think it affects myself and the other hon. member. I have always believed one of the most important aspects of a person's character is to keep his word. I believe when a man has given his word to someone, other things should not interfere with the keeping of it.

MR. VALADE—"HANSARD" REPORT OF SPEECH BY MINISTER OF HEALTH AND WELFARE

**Mr. Georges Valade (St. Mary):** I rise on a question of privilege affecting the members of this house. It arises from the *Hansard* report of yesterday, at page 4165. I am reported as asking the minister the following question:

> May I ask the minister a question? Just as a matter of clarification, since she went to find out all the objections in European countries to this kind of scheme, could she explain to the house if she found out the real objections of Mr. Lesage and, if so, could she elaborate on this point?

The minister is reported as replying as follows:

> I am glad my hon. friend raises this because I regret that I neglected to mention Quebec—

Now, sir, I take objection to this report because I consider it is not in line with the answer that was given by the minister. As I recall, and this is confirmed by the members around me, the minister said that she forgot about Quebec. This morning I see that in *Hansard* she is reported as saying "I neglected to mention Quebec." This is contrary to what was said, and as a member of the truth squad I think the minister should really comply with this.

**Mr. Speaker:** In the absence of the minister at the moment I think we will just leave it at that.

## AGRICULTURE AND COLONIZATION

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

**Mr. Russell C. Honey (Durham)** presented the first report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I would draw to the attention of the house the fact that the report is not complete or quite accurate. With reference to the resolution passed by the committee requesting permission to sit while the house was sitting, the resolution moved was in these words:

> This committee asks permission to sit when the house is sitting when necessary to meet the convenience of witnesses.

I suggest, Mr. Speaker—

**Mr. Speaker:** Are you objecting to the motion as presented?

**Mr. Herridge:** Yes, Mr. Speaker.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion as presented or as amended? Has the chairman of the committee anything to say?

**Mr. Honey:** Mr. Speaker, it is my recollection that the hon. member who has just spoken is correct, in that this matter was amended. In that respect I think, with the concurrence of the house, the report should be amended in the detail mentioned by my hon. friend, that this committee be entitled to sit while the house is in session to suit the convenience of witnesses.

**Mr. Herridge:** When necessary to suit the convenience of witnesses.

**Mr. Speaker:** Does the house give unanimous consent to have the report amended as suggested?

**Some hon. Members:** Agreed.

Motion agreed to.

## QUESTIONS

[*Translation*]

**Mr. Yvon Dupuis (Parliamentary Secretary to Secretary of State):** Mr. Speaker, I wish to advise the house that the following questions are being answered today: 1,196, 1,207, 1,276, 1,299, 1,302, 1,303, 1,318, 1,325, 1,330, 1,341, 1,370, 1,375, 1,392, 1,399, 1,407, 1,410, 1,421, 1,422, 1,424, 1,441, 1,449, 1,450, 1,458, 1,468, 1,476 and 1,500.

[*Text*]

If Your Honour would be good enough to call starred questions 1,443 and 1,466, I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

### TRANS-CANADA HIGHWAY

*Question No. 1,196*—**Mr. Hamilton:**

1. To what mileage, by provinces, has the federal government contributed financially in the construction of the trans-Canada highway?

2. What has been the total amount, by fiscal years for each province, paid out by the federal government since the trans-Canada highway program began?

3. What are the provincial highway numbers, by provinces, that outline the course of the highway across Canada?

4. Are there any cases where the federal government was asked to contribute to the costs of building the trans-Canada highway through a city of over 100,000 people and, if so, what mileage and estimated cost in each case?

**Mr. Badanai:** 1.

| | |
|---|---|
| Newfoundland | 540 |
| Nova Scotia | 318 |
| Prince Edward Island | 71 |
| New Brunswick | 390 |
| Quebec | 399 |
| Ontario | 1,453 |
| Manitoba | 309 |
| Saskatchewan | 406 |
| Alberta | 282 |
| British Columbia | 552 |
| National parks | 140 |
| Total | 4,860 |

2. See tables following.

3. The green and white trans-Canada highway signs, which the provinces and the federal government have agreed to use, mark the route from coast to coast. In addition the provincial numbers designating the route are as follows:

Newfoundland, highway No. 1 from St. John's to Port aux Basques.

Nova Scotia, highway No. 5 from North Sydney to Port Hastings, (Canso causeway); highway No. 4 from Port Hastings to New Brunswick border.

Prince Edward Island, highway No. 1 from Wood Island to Borden.

New Brunswick, highway No. 2 from Nova Scotia border to Sussex; highway No. 9 from Sussex to Fredericton; highway No. 2 from Fredericton to Quebec border.

Quebec, highway No. 2 from New Brunswick border to Levis; highway No. 9 from Levis to Montreal; highway No. 17 from Montreal to Ontario border.

Ontario, highway No. 17 from Quebec border to Ottawa; highway No. 15 from Ottawa to Perth; highway No. 7 from Perth to intersection with highway No. 12 west of Lindsay; highway No. 12 from intersection of highway No. 7 to Waubaushene; highway No. 103 from Waubaushene to MacTier; highway No. 69 from MacTier to Sudbury; highway No. 17 from Sudbury to Manitoba border.

Manitoba, highway No. 1 from Ontario border to Saskatchewan border, except for Winnipeg bypass which is on highway No. 100.

Saskatchewan, highway No. 1 from Manitoba border to Alberta border.

Alberta, highway No. 1 from Saskatchewan border to British Columbia border.

British Columbia, highway No. 1 from Alberta border to Victoria.

4. Yes. The city of Ottawa and the city of Montreal. The mileage through Ottawa on the queensway is 9.9 miles and the estimated cost $25.8 million with the contribution from the federal government $7.25 million. The route of the highway through the city of Montreal is not definite at present, consequently mileage and estimated cost figures are not available for that city.

Trans-Canada Highway

Payments to Provinces During Each Fiscal Year 1950–51 to 1956–57

| Province | 1950-1951 | 1951-1952 | 1952-1953 | 1953-1954 | 1954-1955 | 1955-1956 | 1956-1957 |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Newfoundland | 957,843.79 | 1,002,522.00 | 623,334.46 | 877,203.43 | 2,017,828.92 | 2,239,544.24 | 1,126,469.58 |
| Prince Edward Island | 134,135.43 | 400,015.44 | 428,816.09 | 111,505.26 | 23,142.88 | 528,295.77 | 414,104.91 |
| Nova Scotia | — | — | — | — | 75,699.97 | 234,203.63 | 951,212.88 |
| New Brunswick | — | 1,109,876.95 | 649,482.30 | 283,730.37 | 510,470.31 | 1,285,675.95 | 3,281,869.84 |
| Quebec | — | — | — | — | — | — | — |
| Ontario | 2,749,328.63 | 5,023,506.78 | 4,103,752.94 | 2,486,859.69 | 6,274,487.50 | 3,365,958.81 | 4,855,053.08 |
| Manitoba | 273,958.99 | 839,701.96 | 963,258.26 | 1,500,706.88 | 2,077,013.60 | 1,381,795.52 | 3,124,305.23 |
| Saskatchewan | 392,169.26 | 905,267.38 | 1,701,244.69 | 2,056,487.65 | 1,996,621.96 | 2,001,083.94 | 2,652,471.90 |
| Alberta | 193,055.70 | 895,981.49 | 2,774,951.45 | 2,732,116.80 | 1,806,477.94 | 1,626,626.04 | 1,945,462.47 |
| British Columbia | 2,504,392.39 | 2,614,769.30 | 2,707,705.25 | 3,330,388.16 | 3,352,239.02 | 3,437,370.22 | 6,455,013.07 |
| TOTALS | 7,204,884.19 | 12,791,641.30 | 13,952,545.44 | 13,378,998.24 | 18,133,982.10 | 16,100,554.11 | 24,805,962.96 |

Trans-Canada Highway

Payments to Provinces During Each Fiscal Year 1957-58 to October 4, 1964

| Province | 1957-1958 | 1958-1959 | 1959-1960 | 1960-1961 | 1961-1962 | 1962-1963 | 1963-1964 (Oct. 4) |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Newfoundland | 861,313.26 | 4,753,051.40 | 5,353,270.83 | 6,579,175.27 | 2,238,870.15 | 1,042,763.77 | 441,994.73 |
| Prince Edward Island | 1,232,516.42 | 535,114.47 | 1,172,315.42 | 551,094.68 | 299,900.40 | 66,348.12 | 121,571.72 |
| Nova Scotia | 3,531,597.02 | 2,473,725.12 | 3,128,648.30 | 3,257,089.47 | 1,767,817.76 | 1,124,825.60 | 124,749.86 |
| New Brunswick | 3,557,974.73 | 11,352,822.39 | 8,121,192.12 | 3,461,086.08 | 2,357,075.86 | 1,584,987.22 | 38,734.78 |
| Quebec | — | — | — | — | 2,702,726.14 | 9,622,062.62 | 1,127,491.71 |
| Ontario | 12,381,361.51 | 15,912,978.01 | 18,436,103.64 | 17,868,568.82 | 13,003,666.95 | 4,910,725.84 | 808,904.88 |
| Manitoba | 2,729,336.02 | 1,814,518.14 | 1,724,709.66 | 542,339.52 | 857,335.44 | 500,552.18 | 8,997.9 |
| Saskatchewan | 3,346,041.71 | 168,302.64 | 32,770.06 | 33,521.56 | 70,971.63 | 48,464.62 | — |
| Alberta | 5,289,623.17 | 2,228,574.81 | 1,066,131.11 | 268,230.15 | 654,593.58 | 9,760.36 | — |
| British Columbia | 16,418,285.58 | 11,890,871.13 | 14,228,867.18 | 16,135,375.41 | 12,530,659.72 | 10,299,767.96 | 3,895,604.09 |
| TOTALS | 49,348,049.42 | 51,129,958.11 | 53,264,008.32 | 48,696,480.96 | 36,483,617.63 | 29,210,258.29 | 6,568,049.72 |

*Questions*

REPORT OF UNIFORMITY OF LAWS COMMITTEE

*Question No. 1,207*—**Mr. Scott:**

Has the government received the report of the uniformity of laws committee concerning amendments to the Criminal Code to protect those about to be tried on serious offences and, if so (a) briefly, what is the nature of the recommendations of the committee (b) what has been the response of the government to such recommendations?

**Mr. Chevrier:** This question is assumed to refer to the recommendations of the Robert Roberts citizens committee which were referred by Hon. Donald M. Fleming, when minister of justice, to the criminal law section of the conference of commissioners on uniformity of legislation in Canada for the views of that section.

The criminal law section expressed the view that no amendments should be made in the law and no action has been taken by the government.

WORLD FAIR

*Question No. 1,276*—**Mr. Fleming (Okanagan-Revelstoke):**

1. Has the government now completed its plans for supporting and directing the world fair in Montreal?
2. What is the purpose of the world fair as it has now been decided upon?
3. If the decision respecting the world fair is final what is (a) its site (b) the date of opening (c) the length of time it will remain open?
4. What is the latest estimate of the costs to (a) the federal government (b) the province of Quebec (c) other provinces (d) the city of Montreal (e) other municipalities?
5. After the fair is held, what future use of the site and its facilities has been agreed to?
6. What commitments have been entered into by the federal government that involve responsibility for the operation and conduct of the world fair?

**Mr. Badanai:** 1. No. December 20, 1963 is the date limit set by article 10 (1) of the Canadian World Exhibition Corporation Act for the corporation to submit for the approval of the governor in council and the lieutenant governor in council of Quebec its over-all plan for the exhibition, setting forth various undertakings and projects, their estimated cost and an estimate of the total capital costs and operating costs of the corporation in respect of the exhibition.

2. Article 3 (1) of the Canadian World Exhibition Corporation Act is to the effect that in connection with the celebration of the centennial of confederation in Canada in a manner in keeping with its national and historical significance there shall be held in Canada for a period of six months in 1967 a Canadian universal and international exhibition for which registration was accorded by the bureau of international exhibitions on November 13, 1962.

[Mr. Badanai.]

3. (a) Montreal, Quebec, Canada. (b) Friday, April 28, 1967. (c) Six months, closing on Friday, October 27, 1967.
4. Answered by No. 1.
5. Answered by No. 1.
6. See 11 Elizabeth II, chapter 12, an act to establish the Canadian World Exhibition Corporation (assented to 20 December 1962).

C.N.R. LAY-OFFS, MONCTON, N.B.

*Question No. 1,299*—**Mr. Rideout:**

1. Is it contemplated that 25 employees will be laid off at Moncton C.N.R. scrapyard due to transfer of work to London, Ontario and, if so, what are the reasons for the transfer of such work to London?
2. Does the railway contemplate the closing of the Moncton scrapyard?

**Mr. McIlraith:** The management of Canadian National Railways advise as follows:

1. There is a seasonal work adjustment at the Moncton scrap and reclamation and rail yards. This occurs across the system at this time, as the dismantling and rail laying programs near completion.
2. No.

FARM GRAIN STORAGE—DEPRECIATION AND PAYMENTS

*Question No. 1,302*—**Mr. Watson (Assiniboia):**

1. What is the rate of depreciation allowed farmers on (a) frame farm storage bins (b) steel farm storage bins?
2. What does the farmer receive for storage?

**Mr. Pickersgill:** 1. Farmers who claim capital cost allowance under part XVII of the income tax regulations, straight line method, are allowed a maximum of 5 per cent on either type of bin. Those who claim under part XI of the regulations, diminishing balance method, are allowed a maximum of 10 per cent on both types.

2. The farmer receives no remuneration for the storage of grain on farms.

C.B.C. USE OF FILM BOARD FACILITIES

*Question No. 1,303*—**Mr. Thompson:**

Will the Canadian Broadcasting Corporation take advantage of the facilities of the national film board as recommended in the report of the Glassco commission and, if so, (a) when will such arrangement commence (b) will such an arrangement minimize the capital program of the C.B.C., and (c) will the national film board be enabled to contract out additional work to private producers as a consequence?

**Mr. Pickersgill:** (a) The Canadian Broadcasting Corporation has for some years made extensive use of the production facilities of the national film board. The board has been one of the major suppliers of film programs to the corporation. Liaison practices between the two organizations ensure that activities

are reviewed on both policy and working levels. The effectiveness of liaison is receiving careful attention.

(b) It is unlikely that further utilization of the board's facilities would have an appreciable effect on the corporation's capital program because expenditures for film production equipment represent only a small fraction of the total capital cost involved.

(c) The national film board's policy is to utilize its facilities at the economic operating level. Should the Canadian Broadcasting Corporation increase its requirements from the national film board significantly, it could result in the board increasing the amount of work tendered to private film companies.

CIVILIAN EMPLOYEES, FORT CHURCHILL

*Question No. 1,318*—**Mr. Douglas:**

1. Are civilians employed at Fort Churchill and, if so, what percentage of (a) the Canadian civilians (b) the American civilians are granted (i) officer status (ii) sergeant status (iii) corporal and private soldier status?

2. Are married quarters provided for married civilians at Fort Churchill and, if so, (a) what percentage of the married Canadian civilians (b) the married American civilians, are provided married quarters?

3. What percentage, if any, of the married quarters at Fort Churchill are at present unoccupied?

**Answer:** 1. Yes. (a) Civilians employed by Canada; (i) 7.6 per cent; (ii) 13.5 per cent; (iii) 45.3 per cent; (b) Civilians employed by the United States; (i) 3.1 per cent; (ii) 5.9 per cent; (iii) 24.6 per cent.

2. Yes. (a) 31 per cent (b) 3 per cent.

3. 7 per cent.

PINE FALLS HOSPITAL, MAN.—INDIAN HEALTH SERVICES

*Question No. 1,325*—**Mr. Slogan:**

1. What are the terms of the agreement reached between northern health services and the Pine Falls general hospital for the integration of Indian health services with the Pine Falls general hospital?

2. Has a contract been let for the building of a new wing at the Pine Falls general hospital to accommodate the expanded service?

3. What is the name and amounts of each bidder, and when did tenders close?

4. What is the cost sharing agreement between the federal and provincial governments and the Pine Falls general hospital for the construction of the added facilities?

5. When is it anticipated that integration of the Indian health services at the Pine Falls general hospital will take place?

6. What plans have been made for the use or demolition of the Indian health hospital at Pine Falls?

7. What arrangements regarding medical care have been made or are being planned after the integration of the health services at Pine Falls?

**Miss LaMarsh:** 1. In return for a special construction grant of $405,000 plus the use at a nominal rental of the existing Indian hospital nurses' residence, the board of the Pine Falls general hospital has undertaken to build an addition providing for 20 beds and expanded service facilities that will enable them to provide hospital care to all treaty Indians of the Pine Falls area, thus enabling the department to close the inadequate Fort Alexander Indian hospital.

2. Yes.

3. Tenders and contracts are the concern of the Pine Falls general hospital and the department has no knowledge of the details.

4. Federal government—special construction grant of $405,000. It is understood that the provincial government is providing a grant of $115,000.

5. Early in 1964.

6. The Fort Alexander Indian hospital will be turned over to Crown Assets Disposal Corporation.

7. No change from present arrangements.

AIR MAIL TO QUEEN CHARLOTTE ISLANDS

*Question No. 1,330*—**Mr. Howard:**

1. For each month since January 1, 1961, how many complaints has the government or any agency or branch thereof received to the effect that mail marked or posted for "air mail" to the Queen Charlotte islands in fact reached its destination by boat mail?

2. What steps have been taken to correct this situation, and have those steps been successful?

**Mr. Denis:** 1. Fourteen since January 1, 1961. A monthly breakdown is not available.

2. Each complaint has been fully investigated and remedial action taken. This corrective procedure has reduced the number of complaints. Since January 1, 1963, three complaints have been received.

NORTHWEST TERRITORIES LOAN FUND

*Question No. 1,341*—**Mr. Rheaume:**

1. Does the territorial government of the Northwest Territories have a loan fund program, similar to the "Eskimo loan fund" operated by the federal department of northern affairs and, if so, who is eligible for these loans, and under what conditions?

2. If not (a) has this matter ever been considered by the N.W.T. council or the commissioner (b) will the commissioner consider bringing this need to the attention of the council at its next session?

**Answer:** The commissioner of the Northwest Territories informs as follows:

1. No.

2. (a) Yes, for specialized areas such as assistance to trappers and fishermen; (b) the commissioner will consider this suggestion.

LIQUOR SALES, INUVIK, N.W.T.

*Question No. 1,370*—**Mr. Rheaume:**

1. What was the total amount of revenue received by the territorial liquor store at Inuvik, N.W.T. during the year 1962 from the sale of (a) hard liquor (b) wines (c) beer and ales?

*Questions*

2. What was the total amount, in dollars, of beer, wines and hard liquor sold to the Mackenzie hotel, Inuvik, N.W.T. for re-sale to the public?

3. At present, what are the hours for each day of the week that the following outlets are open for the sale of intoxicants to the public (a) territorial liquor store, Inuvik, N.W.T. (b) Mackenzie hotel, Inuvik, N.W.T.?

**Answer:** This is a question which should normally be addressed to the government of the Northwest Territories. However, the commissioner of the Northwest Territories informs as follows:

Fiscal year 1962-63

| | | |
|---|---|---|
| 1. | (a) Hard liquor | $152,382.05 |
| | (b) Wines | 4,652.80 |
| | (c) Beer and ales | 170,196.70 |
| | | $327,231.55 |
| 2. | (a) Hard liquor | $ 12,334.00 |
| | (b) Wines | 169.00 |
| | (c) Beer and ales | 95,452.00 |
| | | $107,955.00 |

3. (a) Territorial liquor store, Inuvik: Monday, closed; Tuesday, 6 p.m. to 9 p.m.; Wednesday, closed; Thursday, 6 p.m. to 9 p.m.; Friday, 6 p.m. to 9 p.m.; Saturday, 2 p.m. to 4 p.m. and 7 p.m. to 8 p.m.; Sunday, closed.

3. (b) Mackenzie hotel, Inuvik (maximum permitted hours) beer parlour: Monday, 10 a.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Tuesday, 10 a.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Wednesday, 10 a.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Thursday, 10 a.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Friday, 10 a.m. to 6 p.m. and 7 p.m. to 12.30 p.m.; Saturday, 10 a.m. to 6 p.m. and 7 p.m. to 11.30 p.m.; Sunday, closed.

Cocktail lounge: Monday, 2 p.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Tuesday, 2 p.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Wednesday, 2 p.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Thursday, 2 p.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Friday, 2 p.m. to 6 p.m. and 7 p.m. to 12.30 a.m.; Saturday, 12.00 noon to 6 p.m. and 7 p.m. to 11.30 p.m.; Sunday, closed.

RESIGNATIONS FROM NATIONAL MUSEUM

*Question No. 1,375*—**Mr. Fisher:**

1. Why did Dr. Jacques Rousseau leave the national museum?

2. Why did Dr. Louis Russell leave the national museum?

3. Why did Dr. MacNeish leave the national museum?

4. Why did Thomas Lee leave the national museum?

5. Why did Dr. Rioux leave the national museum?

6. Why did Huguette Bujold leave the national museum?

7. How many professional persons have left the national museum, each year, in the past six years?

[Mr. Rheaume.]

**Answer:** It is obviously not possible to weigh and summarize the complex motives which people may have for seeking or accepting new appointments, even if the department or the individual concerned were fully aware of all of them. The answers below indicate what appears to have been the primary consideration for each individual, as far as this is revealed in departmental records:

1. Released, effective February 28, 1959; for reasons see former minister's statement in *Hansard*, January 20, 1959, p. 76.

2. Resigned, effective October 31, 1963; to accept a research appointment with the Royal Ontario museum.

3. Resigned, effective August 1, 1963, to accept a more attractive appointment.

4. Resigned, effective March 20, 1959; for personal reasons.

5. Resigned, effective October 21, 1958, to accept a more attractive appointment.

6. Resigned, effective March 31, 1959, for personal reasons.

7. 1957, 1; 1958, 2; 1959, 3; 1960, none; 1961, 3; 1962, 1; 1963, 4.

TELEVISION STATION CJOH—FRENCH LANGUAGE REQUIREMENT

*Question No. 1,392*—**Mr. Caouette:**

1. What is the nature of the licence held by T.V. station CJOH, channel 13, with regard to the use of the French language?

2. Is this station not required to broadcast in French during a certain number of hours and, if so, in what proportion?

[*Translation*]

**Answer:** 1. The licence contains no condition with regard to the use of the French language.

2. No.

[*Text*]

NATIONAL MUSEUM EMPLOYEES NOT CANADIANS

*Question No. 1,399*—**Mr. Fisher:**

1. How many employees has the national museum had, as of January 1, 1957, 1959, 1961, and 1963, who are or were not Canadian citizens?

2. If the answer to part 1 indicates there is a considerable number of such employees, what explanation is there for having employees without Canadian citizenship?

**Answer:** 1. All the information requested is not readily available, since no running record of the establishment of the national museum classified according to citizenship has been retained. However, the following information may be helpful:

(a) An earlier parliamentary question (*Hansard*, July 5, 1961) reveals that on January 1, 1959, six employees of the museum did not hold British or Canadian citizenship; (b) the same answer indicates that the comparable figure for January 1, 1961, was seven; (c) as of January 1, 1963, six non-Canadians

were employed at the museum. At the present time, there are four. This is less than 5 per cent of total staff strength.

2. Non-Canadians, if available, are employed where no qualified Canadian citizen can be recruited for any given position.

FRASER RIVER BOARD AUTHORITY

*Question No. 1,407*—**Mr. Mather:**

1. What is the situation concerning reorganization of the New Westminster harbour commission and the establishment of a Fraser river board authority?
2. Is it the intention of the Minister of Transport to introduce legislation providing for the establishment of a new authority at the present session?

**Mr. McIlraith:** 1. and 2. Bill No. S-38 now before the other house would make possible the establishment of a new Fraser river harbour commission under this new general legislation.

ROCK FILL FOR BREAKWATER, LITTLE HARBOUR, N.S.

*Question No. 1,410*—**Mr. MacEwan:**

1. What type, size and weight of rock fill is called for in the original plans and specifications for the construction of a breakwater at little harbour, Pictou county, Nova Scotia?
2. Have any changes been made in the plans and specifications as far as the rock fill is concerned and, if so, who authorized these changes?
3. What changes were made, and what type of rock was actually used in the construction?

**Mr. Badanai:** 1. Three classes of stone were specified for this project:

(a) ballast rock within cribwork to be a durable stone of approved quality having a smallest dimension of not less than eight inches and a largest dimension of not greater than 18 inches; (b) core stone for rock mound approach to be a hard durable stone of acceptable quality having a smallest dimension of not less than six inches, a largest dimension not exceeding 36 inches and having a weight of not less than 165 pounds per cubic foot; (c) armour stone for rock mound approach to be a hard durable stone of acceptable quality, each piece having a minimum weight of 4,000 pounds, a maximum weight of 8,000 pounds and having a weight of not less than 165 pounds per cubic foot.

2. Yes. The changes were approved by the chief engineer, harbours and rivers engineering branch, Department of Public Works.

3. Approval was granted for the use of quarry run sandstone for ballast within the cribwork and for the use of quarry run sandstone in the core of the rock mound approach up to the low water level. Where quarried sandstone was allowed to be used in the work, reductions in the unit prices to be paid for this stone were negotiated before the work was authorized.

FRASER RIVER TRIFURCATION PROGRAM

*Question No. 1,421*—**Mr. Mather:**

1. What is the situation respecting implementation of the Fraser river trifurcation program?
2. Does the government intend to proceed with the program this year?

**Mr. Badanai:** 1. Model study investigations are nearing completion at the national research council. Contract plans and specifications are being prepared for the early phases of the work.

2. Yes, the program will be started this fiscal year.

DISPOSITION OF RAILWAY BRIDGE, FRASER RIVER, B.C.

*Question No. 1,422*—**Mr. Mather:**

Is consideration being given to the removal or improvement of the old railway bridge adjacent to the Pattullo bridge over the Fraser river?

**Mr. Badanai:** The whole question of the present and future use of the New Westminster railway bridge, its relationship to navigation as well as to railway services is being studied but no decision has been reached yet concerning the removal, improvement or replacement of the structure.

LASKIN AWARD RESPECTING SIX DAY WEEK

*Question No. 1,424*—**Mr. Fisher:**

Has the Minister of Labour any views and/or has he given the C.P.R. and/or the brotherhood of locomotive firemen and enginemen these views on the Laskin award regarding a six day week and, if so, what are they?

**Mr. MacEachen:** It is understood that Mr. Bora Laskin has made an award on the six day week question submitted to him as referee. His award was made to the parties to the arbitration proceedings and it would not be appropriate for the Minister of Labour to express any views on his award or to seek to interpret it in any way.

PASSAMAQUODDY PROJECT—LOCKS AND GATES

*Question No. 1,441*—**Mr. Coates:**

Has the Canadian government received a request from the government of the United States to consent to the installation of locks and filling gates in Canada as a part of the Passamaquoddy bay power project?

**Mr. Martin (Essex East):** As I indicated on October 7 in response to other questions on this matter, the government of the United States has asked to discuss the proposed Passamaquoddy tidal power development with the government of Canada. Officers of several departments of the Canadian government are continuing to study various aspects of the project, but no negotiations regarding the matter are under way between this government and the government of the United States.

*Questions*

*BONUS FOR WINTER HOUSE CONSTRUCTION

*Question No. 1,443*—**Mr. Vincent:**

1. Does the program to encourage house construction in the winter months provide for the payment of (a) $500 in the case of a single dwelling unit, and (b) $2,000 in the case of a four dwelling unit?

2. Does the payment mentioned in (b) above apply to five and six dwelling units and, if not, for what reasons?

**Mr. MacEachen:** I would ask that this question stand, Mr. Speaker.

Question stands.

GRAIN SHIPMENTS FROM CHURCHILL

*Question No. 1,449*—**Mr. Muir (Lisgar):**

1. How many grain cargoes left the port of Churchill in the current month, to date?

2. What was the number of bushels exported from that port during the month?

3. What was the date of the last shipment?

**Mr. Hays:** 1. Seven.

2. Of the total record shipment of 22,864,409 bushels exported through this port for the 1963 season, 3,186,143.8 bushels were shipped during October.

3. October 20, 5.40 p.m.

CHANGES IN WELFARE CATEGORY SYSTEM

*Question No. 1,450*—**Mr. Scott:**

1. Is the government giving consideration to the abolition of welfare categories, and their replacement by a provincial-federal welfare system that would provide aid on the basis of need?

2. In what ways does the government consider the "current welfare" category system too rigid, as stated by the Minister of National Health and Welfare before the rehabilitation council for the disabled?

3. What steps is the government taking to remove such rigidities?

**Miss LaMarsh:** 1. The federal government's position on the whole field of public assistance, including the categorical aid programs for the aged, the blind and the disabled, is being carefully studied in the Department of National Health and Welfare, and an interdepartmental committee is developing specific proposals in this area. During the federal-provincial conference on September 9 and 10 there was discussion of public assistance programs in which some criticism of the categorical approach was voiced and support for a broader type of assistance program was expressed. The communique agreed to at the meeting suggested "that the whole field of social assistance should be jointly re-examined, in the hope of developing one general assistance program based on need". It is expected that this question will be further considered at the federal-provincial conference in November.

2. Under the three categorical programs, aid is provided on the basis of a means test taking into account income and assets, with specific age and residence requirements and maximum benefits and, in the case of two of the programs, with provision for precise tests of blindness or permanent and total disability. While these characteristics of the programs result in some rigidity, the programs have the value of being clearly defined and understood and continue to fill an important role in supporting the groups for which they are intended. In some high cost areas however the benefits provided through these programs have not been adequate for all recipients and this has led to the development of measures of supplementary aid. There has also been some feeling that more positive steps should be taken to help persons who fall outside these programs, among them those with disabilities which cannot be viewed as permanent and total but which may prevent employment. The provinces have also indicated an interest in having more flexibility in developing programs suited to their particular local needs.

3. See answer 1, above. The categorical assistance programs have been developed over the years in collaboration with the provinces, and any modification in them would need to be worked out co-operatively. It is hoped that the basis for detailed federal-provincial discussions on this matter will be laid at the federal-provincial conference next month.

GRAIN ELEVATOR CONSTRUCTION PROGRAM, VANCOUVER

*Question No. 1,458*—**Mr. Deachman:**

What is the construction program for the grain elevators administered by the national harbours board at Vancouver harbour (a) for the year 1963 (b) for the year 1964?

**Mr. McIlraith:** (a) In June 1963 works in the amount of $85,110 were completed, consisting of the replacement of car-haul machinery and the installation of a partial dust control system at elevator No. 2. In July 1963 the reconstruction of portions of grain jetty No. 1 was completed at a cost of $223,775. (b) Work is under way at grain jetty No. 3, elevator No. 1 and elevator No. 3 consisting of alterations to and deepening of grain berths, replacement of cyclones and cone sections of hoppers, at a cost of $490,000. Following consultation with the lessee plans are now being completed for an expected commencement early in 1964 of the renovation and deepening of the inner end of grain jetty No. 1. This work will make possible the servicing of larger ships.

In order to ensure that the elevators under the administration of the national harbours board can handle the maximum amount of

grain, the board expects to undertake a complete survey of its grain facilities at Vancouver to determine to what extent the capacity of the individual facilities is currently being used, whether the present rate of utilization can be increased and, if so, what improvements should be made and the cost of such improvements.

*ADDITIONAL R.C.A.F. BASES

*Question No. 1,466*—**Mr. Langlois:**

Is it the intention of the government to establish additional R.C.A.F. operational and/or training bases and additional radar stations and if so, what are the proposed locations of these sites?

[*Translation*]

**Mr. Cardin:** There are no projects at present to establish additional R.C.A.F. operational and/or training bases and additional radar bases.

[*Text*]

POST OFFICE REVENUE, ENTERPRISE, ONT.

*Question No. 1,468*—**Mr. Webb:**

What was the total revenue of the post office at Enterprise, Ontario in each of the years 1960, 1961, 1962 and 1963, to date?

**Mr. Denis:**

| Fiscal Year | Revenue |
|---|---|
| 1959-60 | $1,576.75 |
| 1960-61 | 1,303.04 |
| 1961-62 | 1,269.52 |
| 1962-63 | 1,421.85 |
| 1963 to date (April to September) | 611.53 |

PSYCHIATRISTS IN CANADA

*Question No. 1,476*—**Mr. Orlikow:**

1. How many qualified psychiatrists are there (a) in Canada (b) in each province?
2. How many of these work for government services, how many teach in university medical colleges, how many are in private practice primarily?
3. How many psychiatrists are assigned to work in Canadian courts (a) on a full time basis, and (b) on a part time basis?

**Mr. Pickersgill:** This information is not in the possession of any government department or agency.

CHRYSLER COMPANY TENDER FOR STAKE TRUCKS

*Question No. 1,500*—**Mr. Lambert:**

1. Has a contract been entered into with Chrysler Canada Limited for the supply of a number of three ton stake trucks for the armed forces and, if so, what is the date of the contract, its amount, and dates of delivery?
2. Were public tenders called in respect to this requirement or were tenders by invitation?
3. How many tenders were received, and for what amounts?
4. What was the closing date of the tender, and when was the contract awarded?
5. If the tender of Chrysler Canada Limited was not the lowest tender, what were the reasons for awarding it to this tenderer?

**Answer:** 1. (a) Yes; (b) October 21, 1963; (c) $3,130,600.20; (d) As and when required during period ending July 31, 1964.

2. By invitation.

3. (a) Four; (b) $3,130,017.20, $3,130,600.20, $3,275,252.00, $3,595,543.80.

4. (a) September 9, 1963; (b) On October 18, 1963.

5. The vehicles offered by Chrysler Canada Limited were the lowest priced meeting the requirements of the specification.

## MOTIONS FOR PAPERS

PRINCE RUPERT, B.C., GRAIN ELEVATOR

*Motion No. 101*—**Mr. Howard:**

That an order of the house do issue for a copy of all reports received by the government or any agency or branch thereof dealing with the grain elevator at Prince Rupert, B.C., since January 1, 1959.

**Mr. Beer:** I am informed there is only one document involved in this motion for the production of papers. It is in the form of a memorandum between officials of the department and, as such, is considered to be a privileged document. I would therefore request the hon. member to withdraw his motion.

**Mr. Howard:** In ordinary circumstances I would be agreeable to that request, but portions, if not all, of this particular report are available to some people outside of this house, and in view of this situation it might be advisable if this motion were transferred for debate for tomorrow evening.

**Mr. Speaker:** Is it agreeable that this be transferred for debate?

**Some hon. Members:** Agreed.

DR. LORIS RUSSELL—APPOINTMENT TO NATIONAL MUSEUM

*Motion No. 107*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence exchanged between the government, including that through the office of the Prime Minister, regarding the appointment of Dr. Louis Russell some time ago to head the national museum.

He said: I should like to have this stand at the request of the minister. I should also like to point out that the name is Dr. Loris Russell, not Louis Russell.

Motion stands.

DOLLARD HISTORICAL SITE, HAWKESBURY, ONT.

*Motion No. 109*—**Mr. Fisher:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the federal government (or northern affairs) and hydro Quebec, affaires culturelles de

Quebec, Ontario department of travel and publicity, Ontario archaeological and historic sites board, and Louis P. Cecile, on the Dollard site near Hawkesbury.

**Mr. Laing:** We shall be glad to accept this motion subject only to the usual reservation as to consent by the two provinces concerned and the further reservation applying to any privileged documents.

**Mr. Speaker:** Is the motion agreed to, subject to the reservations stated by the minister?

**Some hon. Members:** Agreed.

Motion agreed to.

CORRESPONDENCE BETWEEN R.C.M.P. AND ALERT SERVICE

*Motion No. 112*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence between the R.C.M.P. commissioner's office or that of the "I" directorate office and the alert service (Marjorie Lamb, P.O. Box 173, Station "Q", Toronto, Ontario), since June 1, 1961.

He said: Perhaps this motion could stand, at the request of the minister.

Motion stands.

CORRESPONDENCE WITH ROLAND COMTOIS, REPENTIGNY, QUE.

*Motion No. 125*—**Mr. Pigeon:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Minister of Justice or officers of the Department of Justice, on one hand, and Mr. Roland Comtois, of Repentigny, constituency of Joliette-L'Assomption-Montcalm, on the other hand.

[*Translation*]

**Mr. Chevrier:** Mr. Speaker, there is no objection to this motion being agreed to. There is no official correspondence.

**Mr. Pigeon:** Mr. Speaker, may I ask the Minister of Justice what he means by the word "official"?

**Mr. Chevrier:** Official correspondence is the correspondence which, under the previous administration, was also considered as privileged and confidential.

There is no official correspondence.

[*Text*]

**Mr. Speaker:** Does the hon. member wish to withdraw his motion?

**Mr. Pigeon:** Yes, sir.

Order discharged and motion withdrawn.

CORRESPONDENCE WITH ROLAND COMTOIS, REPENTIGNY, QUE.

*Motion No. 126*—**Mr. Pigeon:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Minister of Public Works or officers of the Department of Public Works, on one hand, and Mr. Roland Comtois, of Repentigny, constituency of Joliette-L'Assomption-Montcalm, on the other hand.

[*Translation*]

**Mr. Deschatelets:** Mr. Speaker, the answer given by the Minister of Justice in respect to motion No. 125 also applies to motion No. 126.

**Mr. Pigeon:** Mr. Speaker, may I ask the Minister of Public Works to give me supplementary information.

Does the answer just given by the minister imply that Mr. Roland Comtois did not write to the minister or to an official of the Department of Public Works?

**Mr. Deschatelets:** Mr. Speaker, I must say in reply to the hon. member that the term "official" applies in this case, and I am certainly not in a position to say whether or not this individual has exchanged correspondence with me. Since this is an official matter, I am unable to table this correspondence.

**Mr. Martineau:** Mr. Speaker, may I put a question to the minister?

[*Text*]

**Mr. Speaker:** These motions, as the hon. member knows perhaps better than I do, are not debatable.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I think that the ministers of justice and of public works are playing upon words. They refuse to table the correspondence when I am entitled to ask for that return as representative of the riding of Joliette-L'Assomption-Montcalm and as a member of parliament.

I say again that the ministers concerned are playing upon words and I ask them to change their mind and to table this correspondence to which I am entitled.

[*Text*]

**Mr. Speaker:** If the hon. member wishes me to put the motion he has two choices. He can put the motion or have it transferred for debate.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I wish to transfer the motion for future debate.

[*Text*]

**Mr. Speaker:** Transferred for debate.

PENHOLD, ALTA., AIR BASE—PETITION

*Motion No. 127*—**Mr. Lambert:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of a petition from the

Alberta air council, together with a list of signatories thereto which was received by the government in 1963 with reference to the conversion of R.C.A.F. station Penhold to a jet training base.

**Mr. Hellyer:** A check of the files in the Prime Minister's office and the departments of agriculture, transport and national defence indicates that no petition was received from the Alberta air council with a list of signatories. There was a telegram addressed to me from the Alberta aviation council requesting an appointment, and a further letter expressing appreciation for the kindness extended in meeting a delegation. This correspondence has already been tabled.

Under those circumstances I wonder whether the hon. gentleman would agree to have the motion dropped, and if there is any other definition or additional information which comes to his attention he has the right to put the motion on the order paper again, or if he could tell us more about it privately we would be glad to produce the document if it exists.

**Mr. Lambert:** If I can have the same assurance from the Minister of Transport I will do so, Mr. Speaker.

**Mr. McIlraith:** I would be happy to give that assurance to the hon. gentleman.

**Mr. Lambert:** Then I will withdraw the motion.

Order discharged and motion withdrawn.

ESKIMO LOAN FUND REGULATIONS

*Motion No. 128*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the rules and regulations relating to the Eskimo loan fund.

**Mr. Laing:** This is entirely acceptable, Mr. Speaker, and is tabled herewith.

Motion agreed to.

ENTERPRISE, ONT., POSTMASTER

*Motion No. 130*—**Mr. Webb:**

That an order of the house do issue for a copy of all letters and communications that have been received by the Postmaster General or any of the officials of his department since August 27, 1963, relating to the Post Office at Enterprise, Ontario, together with a copy of the application for appointment of Mrs. Clare Stewart to the position.

**Mr. Denis:** I have no objection to the adoption of this motion and to the tabling of all official correspondence.

Motion agreed to.

PENSION ADJUSTMENTS FOR RETIRED PUBLIC SERVANTS

*Motion No. 132*—**Mr. Martineau:**

That an order of the house do issue for a copy of all correspondence, briefs, memoranda or other documents exchanged since the 22nd day of April, 1963, between the Prime Minister, the Minister of Finance or the Secretary of State or any officers responsible to them, and any public service staff association or any association of retired public servants, on the subject of pension adjustments for retired public servants.

**Mr. Benson:** That is agreeable, Mr. Speaker.

Motion agreed to.

FISHERIES—CORRESPONDENCE WITH RUSSIA ON NORTH PACIFIC TREATY

*Motion No. 133*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada and the government of the Union of Soviet Socialist Republics since January 1, 1960 regarding the matter of the international convention for the high seas fisheries of the north Pacific ocean.

**Mr. Robichaud:** Mr. Speaker, there is no such correspondence; and as the same applies to motions 134 and 135, may I suggest to the hon. member that he withdraw these three motions.

**Mr. Howard:** Do I understand the minister to say there was no such correspondence? Then I will withdraw the motions.

**Mr. Speaker:** Then this motion is withdrawn, and motions 134 and 135 are withdrawn.

Orders discharged and motions withdrawn.

CORRESPONDENCE WITH RUSSIA ON HALIBUT FISHERY

*Motion No. 136*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada and the government of the Union of Soviet Socialist Republics since January 1, 1960 regarding the halibut (Hippoglossus stenolepis) fishery.

**Mr. Robichaud:** Mr. Speaker, the government has no objection to this motion provided it can obtain the concurrence of the other country involved.

**Mr. Speaker:** Is it the pleasure of the house to adopt the said motion subject to the reservation stated by the minister?

**Some hon. Members:** Agreed.

Motion agreed to.

*Motions for Papers*

CORRESPONDENCE RESPECTING COLUMBIA RIVER TREATY

*Motion No. 137*—**Mr. Herridge:**

That an order of the house do issue for a copy of all correspondence and telegrams exchanged between the Prime Minister, the Secretary of State for External Affairs, the Minister of Northern Affairs and National Resources or their offices and any private citizen in Canada with respect to the Columbia river treaty since May 1, 1963.

Motion agreed to.

CORRESPONDENCE FROM AUDITOR GENERAL REGARDING ESTATES

*Motion No. 138*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence sent by the Auditor General to the minister or the deputy minister (taxation) of the Department of National Revenue regarding any revenues which should be collected by the crown in connection with estates of deceased persons since January 1, 1963, and to be more specific, in view of previous decisions on like motions, for only that correspondence signed by the Auditor General, Mr. Henderson, and not correspondence or memoranda directed by employees of the Auditor General's office.

He said: Stand, at the request of the Minister of National Revenue.

Motion stands.

CORRESPONDENCE RESPECTING DEPARTMENT OF INDUSTRY

*Motion No. 140*—**Mr. Hamilton:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the federal government and the provincial governments relating to the new Department of Industry.

**Mr. Nicholson:** Mr. Speaker, the Minister of Industry has spoken to the hon. member for Qu'Appelle, and the hon. member has agreed to the insertion of a few words in the second last line. Between the words "to" and "the" insert the words "the organization and functions of". With that amendment and with the concurrence of the provinces the motion is acceptable.

**Mr. Speaker:** Is it the pleasure of the house to adopt the said motion subject to the reservation expressed by the minister?

**Some hon. Members:** Agreed.

Motion agreed to.

CORRESPONDENCE WITH ROSAIRE ANCTIL, STE. ANNE DE LA POCATIERE, QUE.

*Motion No. 141*—**Mr. Dionne:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963 between the Postmaster General or any of the officials of his department and Mr. Rosaire Anctil, P.O. Box 303, Ste. Anne de la Pocatiere.

[Mr. Speaker.]

**Mr. Denis:** Mr. Speaker, I have no objection to this motion being agreed to and to the production of any official correspondence.

Motion agreed to.

## FINANCE

REPORTED INTENTION TO CUT INCOME TAX TO STIMULATE GROWTH

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, in view of a statement made outside the house I should like to ask the Minister of Finance whether the government has in mind the cutting of income tax in order to stimulate growth.

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I do not know to whom the right hon. gentleman was referring when he mentioned a statement made outside the house. May I ask him to give me a little more information?

**Mr. Diefenbaker:** I cannot give particulars except to say that the hon. member for Coast-Capilano, parliamentary secretary to the Prime Minister, made a speech and the heading of the report is "M.P. Hints of Cut In Income Tax". The report contains this statement:

If various tax incentives and cheaper money policies are not effective, an across the board cut in taxation may be desirable.

**Mr. Gordon:** Mr. Speaker, I can assure the right hon. gentleman that when the government has any announcements to make on this subject it will do so in the house.

**Mr. Diefenbaker:** I rise on a question of privilege. That is the reason I asked this question. Did the parliamentary secretary have any authorization to speak in this way on behalf of the government?

**Mr. Gordon:** On the basis of the extract from the newspaper report which was read it seemed to me that the parliamentary secretary was discussing economic theory in a general way, and I think he has every right to do so.

**Mr. Diefenbaker:** Parliament by-passed again.

SALE OF RUSSIAN GOLD TO PAY FOR CANADIAN WHEAT

On the orders of the day:

[*Translation*]

**Mr. Gerard Laprise (Chapleau):** Mr. Speaker, may I put a question to the Minister of Finance?

Could the minister tell us whether the gold shipments which arrived in London from

Moscow yesterday will be used for the payment of Russia's purchases of Canadian wheat?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** I am not sure that I understood the full purport of the question, Mr. Speaker. I think it was, will the sale of some 20 tons of Russian gold in London help pay for the purchase of wheat from Canada? I would hope so.

## AGRICULTURE

INQUIRY INTO COST OF FARM MACHINERY

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Agriculture. In his speech at Barrie he deplored the fact that for the last 25 or 30 years Canada has had a patchwork quilt of agricultural policy, and he said that the main plank in his own agricultural policy is an investigation into the cost of farm machinery. Does the minister intend to ask the standing committee on agriculture and colonization to take up again its study, which was begun in 1961 and discontinued, into the cost of farm machinery? If not, what method does he propose to use to carry on an investigation into the cost of farm machinery?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I would hope we would use all the information we could get. I would be glad if this would be discussed by the committee on agriculture.

[*Later:*]

**Mr. Douglas:** Mr. Speaker, a few moments ago the Minister of Agriculture said he was taking all sorts of methods to look into the cost of farm machinery. I want to ask him one question. Is it his intention to ask the standing committee on agriculture and colonization to resume its investigations into the high cost of farm machinery this session?

**Mr. Hays:** Mr. Speaker, I am not familiar with what went on in 1961, but I can see no reason that this committee should not look into these costs.

**Mr. Douglas:** As a supplementary question, since it will require a reference from the house before the committee can undertake such a study, would the minister be prepared to move such a reference?

**Mr. Hays:** I will be glad to take that question under advisement and let the hon. member know.

LEGISLATION TO PROVIDE FURTHER FARM CREDIT

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Minister of Agriculture. In view of the minister's statements in the house and several other statements outside the house to the effect that there is not enough credit available to farmers, does he intend to introduce legislation at this session of parliament which will provide further credit for farmers?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, this is a matter of government policy. I certainly hope we will be able to do something for the farmers in this regard.

## TRANSPORT

KETTLE VALLEY RAILWAY—DISCONTINUANCE OF SERVICE

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to ask the Minister of Transport a question of urgent national importance. In view of the board of transport commissioners authorizing the Canadian Pacific Railway Company to discontinue passenger service on the Kettle valley line on 60 days' notice, and in view of the widespread concern and indignation of the residents of southeastern British Columbia, has the government given consideration to the rescinding of this order? If not, is it prepared to hear appeals against this unfortunate decision of the board of transport commissioners?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, the answer to the first question is no. The answer to the second question is that I will consider it.

## SUGAR

REQUEST FOR STATEMENT ON INQUIRY INTO PRICE INCREASES

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, my question is directed to the Minister of Justice.

Could the minister tell us what progress has been made in the inquiry conducted by his department into the increases in the price of sugar, and when does he intend to report to the house about it?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I think that I have indicated, on many occasions, that the director of research is following from day to day the sugar situation and if he has any reason to

believe that proceedings under the Combines Investigation Act are necessary, he will take action.

**Mr. Gregoire:** A supplementary question, Mr. Speaker. Since this supervisor or director of research does not submit any report at present, does this mean that the minister draws the conclusion that there is nothing irregular with the current increases in the price of sugar?

**Mr. Chevrier:** No, Mr. Speaker, not necessarily, because the inquiry may take some time. Besides, I must remind my honourable friend that there is at present an order against at least two, maybe three, firms selling sugar and their officers, forbidding them to do any price fixing at all; that order was granted in the superior court, in Montreal, at the beginning of the year.

[*Text*]

## ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—PETITION REQUESTING RETENTION AS TRAINING BASE

On the orders of the day:

**Mr. Lawrence E. Kindt (Macleod):** Mr. Speaker, I should like to ask the Minister of Agriculture if he signed a petition to the government requesting that the Penhold airport be retained as a jet training base?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I did not sign any petitions.

## HEALTH AND WELFARE

PROTECTION AGAINST FOOD POISONING FROM FISH PRODUCTS

On the orders of the day:

**Hon. H. J. Robichaud (Minister of Fisheries):** Mr. Speaker, yesterday the hon. member for Queens asked me a question in connection with a warning by the United States food and drug administration that some smoked fish products from the great lakes contain the botulus organism, and I promised I would give a full reply today.

The Departments of National Health and Welfare and Fisheries have viewed with concern the recent evidence from the United States associating death from botulism with the consumption of specific types of smoked fish. During the past three years nine deaths and a number of non-fatal cases of illness have been shown to be due to the presence in the smoked fish of a toxic substance produced by a bacterium called clostridium botulinum type E. No reports of similar illness have occurred in Canada during this period.

Canadian consumers should be informed that cooking destroys the toxic substance. Therefore any food product eaten immediately after thorough cooking is safe with regard to this type of poisoning. Investigators of the two departments have had this problem under study for about two years. There is evidence to suggest that the practice of packing smoked fish in impermeable plastic wrappers increases the risk of botulism from this product. Accordingly the two departments are considering legislation to prohibit the sale of smoked fish packed in containers sealed to exclude air unless the packaged product has been rendered commercially sterile by a suitable heat process.



## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to address a question to the Prime Minister. Does the Prime Minister agree with the description of the province of Quebec as a state by Premier Lesage?

## AIR TRANSPORT

APPLICATION TO DISCONTINUE PART OF PRAIRIE SERVICE

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I should like to ask the Minister of Transport a question arising out of a report, which I find to be inaccurate, that there has been filed with the air transport board a request by Transair to give up the licence that the minister's department awarded it only last March to operate the milk run on the prairies. I wonder whether the minister could give us an explanation of the situation, particularly in view of the fact that Transair was assisted so much by a crown corporation in taking over this route.

**Hon. G. J. McIlraith (Minister of Transport):** Yes, I would be glad to give an answer to that question. The application is to give up part of the run. The reason for the application is that on one segment of the run the average number of passengers per flight was less than one person. An air line simply cannot operate on that basis. The notices for the hearing have been given today, and it is proposed in the notice that the subject of the hearing will be that the service be varied and that west of Regina the service on this route would be discontinued as of December 31.

**Mr. Jack McIntosh (Swift Current-Maple Creek):** May I ask a supplementary question. Does the Minister of Transport know the circumstances surrounding that application, and that the fares charged by this air carrier are twice those that are charged here in eastern

Canada? Before permission is given to give up this franchise will the minister investigate these conditions a little further?

**Mr. McIlraith:** Mr. Speaker, it is not the minister who does the investigating. I am quite familiar with the facts relating to the operation, nevertheless the allegation made by the hon. member is something that should be brought before the air transport board at its hearing, where it could be dealt with by the board.

## INCOME TAX

QUEBEC—INQUIRY INTO RECEIPTS FOR CHARITABLE DONATIONS

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 National Revenue.

Could the minister inform the house if his department has given instructions to reduce the amounts claimed for charitable donations, as is being done in the province of Quebec, without first making an investigation to ascertain whether or not the receipts are genuine?

[*Text*]

**Hon. J. R. Garland (Minister of National Revenue):** The answer, Mr. Speaker, is no.

[*Later:*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I would like to address a question to the Minister of National Revenue. Since the minister stated a few minutes ago that he had given no orders to cut charity donation receipts in the province of Quebec, can he assure the house he will also instruct his officials in Quebec not to cut any more of these charity donation receipts without first making inquiries of the people concerned?

**Mr. Garland:** The hon. gentleman is now slipping in quite a different question from the one asked by his colleague, and under the circumstances I ask that he put his question on the order paper.

## FISHERIES

NORTH PACIFIC COMMISSION—INQUIRY AS TO MEETING OF ADVISORY COMMITTEE

On the orders of the day:

**Mr. Frank Howard (Skeena):** Mr. Speaker, may I ask the Minister of Fisheries if it is a fact that the advisory committee of the north Pacific fisheries commission will be meeting in Vancouver in mid November.

**Hon. H. J. Robichaud (Minister of Fisheries):** Yes, Mr. Speaker.

**Mr. Howard:** May I ask a supplementary question. What is the purpose of this meeting, whom are they meeting, and for what purpose?

**Mr. Robichaud:** They will be dealing with problems affecting the halibut fishery in the north Pacific.

**Mr. Howard:** May I ask another supplementary question. Can the minister indicate to the house when arrangements are going to be made for this advisory committee to be consulted before negotiations are reactivated among Japan, the United States and Canada for the signing of a new treaty involving the three fishery stocks in the north Pacific?

**Mr. Robichaud:** At the meeting that will be held in Vancouver this November.

## NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** I wonder if the minister of northern affairs could take the house into his confidence and inform us just at what stage negotiations are now between this government and the government of the United States, as well as British Columbia, in respect of the cost sharing arrangement for the paving of the Alaska highway.

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** When the arrangements are completed, as we hope they will be successfully, an announcement will be made.

**Mr. Nielsen:** May I ask a supplementary question. Can the minister say, then, that we are to take it from his answer that there are negotiations being conducted on the cost sharing of the paving of the Alaska highway between these governments and the Canadian government?

**Mr. Laing:** There would be no profit in discussing that today.

[*Later:*]

**Mr. Nielsen:** I have a further supplementary question in respect of the one I asked of the minister of northern affairs concerning negotiations with the United States government. In view of the fact that the minister has taken into his confidence the president of the Dawson Creek chamber of commerce, and has told that chamber of these negotiations, will he now take the house into his confidence by telling the members of this house whether or not these negotiations for cost sharing are taking place?

*Inquiries of the Ministry*

**Mr. Laing:** I only want to make this remark. I understand the hon. member for Yukon has widely circulated a number of telegrams taking full responsibility for the fact that the road was going to be kept open. I was so informed. However, if he wants to share that with me, that is all right. I see no advantage in further explanations today, and the hon. member is aware of the nature of the negotiations taking place. I am quite certain he is so happy it is the intention of the government to keep the road open that he would not wish to do anything to disturb those arrangements.

**Mr. Nielsen:** On a question of privilege, Mr. Speaker, I think the minister got his roads mixed up. He was referring to keeping a road open. The Alaska highway is, of course, open all year round; and I can assure the minister, knowing he will take my word, that I have not sent out one single wire concerning these roads.

REQUEST FOR COPY OF ADDRESS BY MINISTER

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, Mr. Speaker, and while its urgency is not too obvious, the urgency is there and time is of the essence. In view of the general interest in the minister's forthcoming address to the eighteenth annual meeting of the Saskatchewan river development association—and there is intense interest—will the minister provide the members of the house with a copy of this address after delivery?

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, I am quite certain there is general agreement in this house that the unchallenged authority on water, wherever found and in whatever form, is the hon. member for Kootenay West. I am quite certain that if I could use his ability to assist me in the preparation of this talk, then the distribution which he suggests might be worth while.

## POST OFFICE DEPARTMENT

BELLEVILLE, ONT.—CHANGE IN LOCATION OF POST OFFICE

On the orders of the day:

**Mr. R. A. Webb (Hastings-Frontenac):** Is the Postmaster General aware, Mr. Speaker, that the location of a post office in Belleville, Ontario, is being changed for purely political reasons, as set out in the notice received by the owner of the present premises?

[Mr. Nielsen.]

**Hon. Azellus Denis (Postmaster General):** I am not aware of that, and I deny the allegations made by the hon. member. At any rate, I will take his question as notice and answer it in a day or two.

**Mr. Webb:** May I ask a supplementary question, Mr. Speaker. Is the minister aware of the fact that the proposed new appointee is the secretary of the local Liberal association and a close relative of the present Liberal member for Hastings South?

**Some hon. Members:** Patronage.

**Mr. Denis:** I am not aware of that, and I will say the same thing tomorrow or the day after.

**Mr. Robert Temple (Hastings South):** I rise on a question of personal privilege. I should like to point out to this house and particularly to the hon. member for Hastings-Frontenac that there is no nepotism in my family. I am not interested in the genealogical affiliations of any applicant in Enterprise, either.

REQUEST FOR CONSIDERATION OF ESTIMATES BY COMMITTEE

On the orders of the day:

**Mr. Frank Howard (Skeena):** Mr. Speaker, I would like to direct a question to the Postmaster General. In view of the answer which he gave to another question of mine today regarding the irregularity of air mail service from the west coast to the Queen Charlotte islands, would the minister be agreeable to consulting his colleagues with a view to having the estimates of his department referred to the appropriate standing committee so that we can thoroughly inquire into all these matters of administration?

[*Later:*]

**Mr. Howard:** Mr. Speaker, I was expecting a reply from the Postmaster General and I wonder will he give one.

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, I will be glad to give the hon. member every detail he asks for during the consideration of the estimates of my department. It is not necessary to have a standing committee for two or three questions, since the estimates will come before the House of Commons.

## HOUSE OF COMMONS

INQUIRY AS TO PAY INCREASES FOR CERTAIN STAFF MEMBERS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I should like to direct a question to the Secretary of State in his

capacity as a member of the board of commissioners of internal economy. Can he tell us what has happened to the long overdue pay increases for some 10 or 12 tradesmen on the staff of the House of Commons, consideration of which we were told was being given on August 2 of this year?

**Hon. J. W. Pickersgill (Secretary of State):** I am afraid, sir, I could not answer that question from memory, but I shall be glad to take it as notice.

## CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO POLICY RESPECTING EASTERN ELEVATORS

On the orders of the day:

**Mr. P. B. Rynard (Simcoe East):** I should like to ask the Minister of Transport if it is the policy of the Canadian National Railways to dispose of their elevators in the eastern division.

**Hon. G. J. McIlraith (Minister of Transport):** I am advised, Mr. Speaker, that it is not the policy to do so. I should add that there is a question arising as to one of the elevators with which I suspect the hon. member is somewhat familiar. I should like to take this question as notice and give him a more complete answer later.

## EXTERNAL AFFAIRS

APPOINTMENT OF NEW AMBASSADOR TO FRANCE

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I should like to direct a question to the Prime Minister. Could the right hon. gentleman tell us whether he intends to appoint Mr. Georges Emile Lapalme, the present minister of cultural affairs of the province of Quebec, as Canadian ambassador in Paris to replace Mr. Pierre Dupuy who has become chairman of the world fair corporation?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, when there is a vacancy to be filled in the embassy at Paris it will be announced in due course.

**Mr. Valade:** May I ask a supplementary question. Is it the intention of the Prime Minister to fill that vacancy by appointing Mr. Lapalme?

**Mr. Pearson:** There does not appear to be a vacancy at the moment, Mr. Speaker.

## DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO REARRANGEMENT OF FISCAL RELATIONSHIPS

On the orders of the day:

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I have a question for the Minister of Finance. Does the government intend to revise, on a massive scale, the tax agreements between the provinces and the federal government, as asked last evening, during a press conference, by the minister of youth, Mr. Gerin-Lajoie?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** I hardly think, Mr. Speaker, the hon. member would expect me to comment on a report I have not seen, or on a subject of that importance on orders of the day.

[*Translation*]

**Mr. Martineau:** According to the minister, the problem is an urgent one. And that is why—

[*Text*]

## WORLD FAIR

PROVISION OF CANADIAN FLAG FOR EXPOSITION

On the orders of the day:

[*Translation*]

**Mr. Gerard Laprise (Chapleau):** Mr. Speaker, my question is directed to the Prime Minister.

Yesterday, on St. Helen's island, the 1967 world fair flag was hoisted up; could the right hon. gentleman assure us that Canada will have a truly Canadian flag on the occasion of this exhibition?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Yes, Mr. Speaker, I am glad to give that assurance.

## INCOME TAX ACT

The house resumed, from Friday, October 25, consideration of the motion of Mr. Gordon for second reading of Bill No. C-95, to amend the Income Tax Act.

**Mr. W. B. Nesbitt (Oxford):** Mr. Speaker to say the least an omnibus bill such as this has a great many things in it, but this afternoon I would like to spend my time dealing with those aspects which are connected with the Department of Industry. I refer to those parts which propose certain tax advantages and exemptions for the areas designated in the recent legislation concerning the Department of Industry.

I would like to make it quite clear that I believe every member of the house is thoroughly in agreement with the good intentions of this legislation and the general principles behind it, but there are many hon. members, myself included, who take considerable exception to the methods used to attain these objectives and to the manner in which the legislation has been introduced.

Our objections and criticisms can be divided into two general categories. First, there is gross interference with provincial rights; and second, the methods used and the statistical formulae applied leave much to be desired and have resulted in some thoroughly ridiculous situations.

I shall deal first with the question of interference in provincial affairs. Ever since our country became an independent nation in 1867, from time to time its constitution has been open to considerable question with respect to rights vis-à-vis the federal government and the provinces. I agree it is sometimes difficult for even the most acute legal minds in this country to determine with any degree of accuracy which fields lie within the authority of the provinces and which lie within the authority of the federal government. When these matters are brought before the courts and, ultimately, before the Supreme Court of Canada, a decision is made. The first point I should like to make in this regard and I have discussed this matter with others, in this house and elsewhere, who have had considerable legal experience, is that it would seem to me that the government should take a careful second look at these clauses of Bill C-95, because it would seem that a good case could be made for the contention that they are ultra vires.

I do not wish to engage in a legal argument at this time. Indeed, it would be improper to do so, because any legal argument presented here would be a matter of opinion; it would be up to the courts to decide whether or not such arguments are valid. However, the reasoning behind my contention is that, by giving certain tax reliefs and exemptions to certain areas the relevant clauses of this bill are, directing the location of property, namely land and capital, within certain specific areas of the country in the provinces. The legislation may well be tested in the courts and I think the government should take a most careful look at these provisions before the measure leaves this house. An ounce of prevention, as the saying goes, is worth a pound of cure. Perhaps appropriate changes and amendments could be made as a result of a further examination by the law officers of the crown.

Let us assume, however, that this legislation is intra vires and will stand the test of the courts. It is clear it is interfering in fields which normally belong to the provinces. There has certainly been no consultation with provincial authorities with respect to this lgislation. There is ample evidence to support this assertion. For instance, the premier of British Columbia objected violently to his own home town of Kelowna being referred to as a depressed area, and the municipal officials of other places including Brantford, in the first instance, have objected to their areas being designated without consultation. So here we have a government, which has talked so much about "co-operative confederation," setting what does not appear to be a good example by putting forward, in the absence of consultation, legislation which clearly affects provincial responsibilities.

There is another point which might be raised in this connection. I know that the province of Ontario has prevented a price war, so to speak, between municipalities bidding for new industries. I suspect other provinces have enacted similar legislation. I know it has been the practice in the past for some municipalities to offer tax concessions to new industries such as free utilities, or utilities at a reduced rate, for a number of years; tax reductions, and the like. This practice has been prohibited by the province of Ontario and, no doubt, by other provinces. Legislation of the kind now being imposed by the federal government without consultation negates this principle and detracts from the usefulness of the measures taken by the government of Ontario and, as I have suggested, by other provinces. This is a field which has so far been left to the provinces, and the amendments we are considering represent an invasion of that field by the federal government.

The idea behind legislation of this type is a good one. If the minister and those responsible for this bill had consulted with the provinces, the difficulty to which I have referred might have been circumvented and the ground for the objections I am raising might not exist. But this was not done, and I would hope that in future it will be done before legislation such as this is applied.

Another question which arises is that of duplication. Most of the provinces have highly developed departments of industry and economic development. They have done a great deal to help themselves. I have more knowledge of the situation in the province of Ontario than I have of developments in other provinces, but in Ontario a great deal has been done to encourage industry to enter the province. Directorates, with staffs of civil servants and experts, have been set up for this purpose. What do we find in this Department of Industry? I have here a document

put out by the department for the purpose of recruiting staff. It looks like Parkinson's law gone mad. There is clearly going to be immense duplication of effort in putting into practice the amendment proposed to the act and it seems to me the government would be better advised to use this department as a co-ordinating instrument and, perhaps, as a means of assisting financially the province in this field, instead of duplicating work which the provinces are already doing.

Another question occurs to me. Why did the government bring in legislation such as this without consulting the provinces and, through them, the municipalities? I think the answer will be found in some remarks which were made in this house a short while ago by my hon. friend from Brome-Missisquoi (Mr. Grafftey) when he very ably pointed out that the occupants of the treasury benches seem to have certain functions of government mixed up. As I recall his observations, my hon. friend referred to one of Mr. Burke's essays on government, an essay which pointed out the necessity of divorcing the legislative function of government from the administrative. Those engaged in discharging the legislative function of government are elected representatives accustomed to consultation and to dealing at first hand with members of the public. Those in the administrative branch, on the other hand, have the task of carrying out the legislative proposals and they are accustomed to doing so in a somewhat peremptory way. It may not be coincidence that a large percentage of the present cabinet—I think it is about one third—is composed of those who do, in fact, have an administrative background—some people might refer to it as a bureaucratic background. It depends, of course, on what one means by these various words but it remains true that a large number of the most important cabinet posts are now held by people who have an administrative or quasi-administrative background. As a result, one finds this kind of thinking: we know what is good for you; we are not interested in consulting people at a lower level; we are imposing this on you from on high. The Minister of Industry (Mr. Drury) whose department is the most closely related to these clauses under consideration is, admittedly, a little different from those who are normally thought of as being bureaucrats. Nevertheless, he has an administrative background and I have heard some people refer to him as a "gold-plated bureaucrat". He has this background and this manner of thinking. That is why we can expect not only legislation of the type now before us, but more of it in the future.

Another main heading under which I group these objections to the relevant clauses of Bill C-95 concern the method used to designate those areas which are to receive tax relief. A great deal has been said about this in the house already by members on both sides, and a great many statistics have been produced. Most hon. members who have had any association with statistics—and I am sure the hon. gentleman is among them—know that statistics can be selected to suit the particular results which are required.

**Mr. Gordon:** The Minister of Agriculture says they are for losers.

**Mr. Nesbitt:** He may well be right. Anyway, we have all heard the story about the statistician six feet tall who was drowned in a river which had an average depth of three feet. I think some of the statistics used in the designation of these areas might come within the compass of that little anecdote. I do not wish to discuss the formula used by the Department of Industry in designating these areas at great length, but I think it is fair to say that some sort of arithmetical average was used in arriving at these figures and that special circumstances such as arise in the now famous case of the city of Brantford were, clearly, not taken into account. The hon. member for Northumberland (Miss Jewett) stated in the course of the speech she made in this house recently that in her opinion the government has adopted a reasonably good method of designating these areas by using statistics of growth and unemployment over a period of time. Referring to similar circumstances in countries outside Canada, she said the real issue in those other countries did not concern the criteria used but the question of how large the areas should be. I have pointed out that the statistical formula which the government has adopted leaves much to be desired because it does not allow for aberrations or unusual circumstances. I think it would have been preferable if a more complex formula had been adopted capable of taking such circumstances into account. But the main issue, as indicated by the hon. member for Northumberland, is to the size of the areas chosen. It was decided, apparently, that the areas covered by national employment offices would be considered as areas which could be designated as areas to receive special assistance. On the face of it, that appears to be a logical way in which to proceed, especially as statistics of unemployment and economic growth over a period of time are the basis for designating these areas. However, I believe there are serious objections to the practical application of this method of procedure.

Let us consider, for example, a large metropolitan area such as Toronto. I drive to

Toronto almost every week end and I think it is 24 or 25 miles from one end of the metropolitan area to the other. I do not suppose the government would contemplate for one moment suggesting that if the rate of growth in the east end of Toronto was less rapid than in the west end, special concessions should be given to industry to locate in that part of the metropolitan area which was not progressing as fast as the other. Yet, apparently, this is what has happened in the case of Brantford. The cities of Galt, Guelph, Brantford, Woodstock and Kitchener form part of the same industrial complex in the area concerned, an area of just about the same size as Toronto or Montreal. Merely because it so happened that there were separate national employment offices in these various cities, it was decided it would be possible to designate one city while passing over another. I can tell the hon. gentleman that labour flows freely between these various industrial cities. A great many people who work in one large factory in my own city come from Brantford. Many people in my own district work in Kitchener. The distances involved are not nearly as great as they are between one end of Toronto and the other.

In fact, this whole area is an industrial complex itself and its cities and towns are rapidly growing closer and closer together. I say that this would not apply to places like Windsor, Elliot Lake or Cornwall and other areas which have been designated. These towns are well removed from other industrial centres, and I do not think anyone can find any objection, except the one I pointed out in the first part of my remarks, to these places being designated. But when you take one part of what is essentially one industrial complex and single it out for preference as opposed to the other parts, I find it very offensive and unreasonable.

I realize the government has put itself in a rather difficult position; I think all hon. members realize this. The city of Brantford was designated an area to receive assistance, and it is indeed difficult for the government to repeal this decision. Any reasonable hon. member would accept that. But there is something else the government can do to help matters, and that is this. Since I have pointed out that this whole area of Galt, Guelph, Kitchener, Woodstock, Waterloo, and so on, is all part of the same industrial complex, to make things a little fairer the government could very well designate the whole area as one to receive these tax advantages. In addition to incidentally helping the growth of the area it would certainly do a great deal to disperse industry, instead of its locating constantly in the city of Toronto, which as many people have pointed out is perhaps a socially undesirable thing. The Minister of Finance (Mr. Gordon) looks a little shocked at that, but I think we have all heard hon. members from his side of the house in the past say that it is probably a good thing to disperse industry so that cities do not get bigger and bigger while other places do not grow at all. I do not think the minister will disagree with that. I have no objection to the city of Toronto. I am very fond of it; I received part of my education there, and I like the city and its people. But I think he could hardly object to the proposition that it is socially desirable to prevent a city from getting too large, a condition which breeds all sorts of undesirable things.

**Mr. Gordon:** Would the hon. member permit a question from one who happens to come from Toronto. I am sure he did not mean to imply that it was socially undesirable for people to live in Toronto, did he?

**Mr. Nesbitt:** That all depends, Mr. Speaker, on what one might think was socially undesirable. Perhaps I have been misunderstood, but what I meant was that I think it is socially undesirable in any province to have one city become increasingly large with a heavy concentration of population in one area, which leads to a number of social evils which you do not get in smaller places.

There are those who have been unkind enough to point out that they think certain municipalities have been discriminated against, and this is attributed mostly to governments. I have heard it suggested in a very unkind way that the special designation of Brantford was a rather refined method of political patronage, in view of the political representation of Brantford. I do not think I can agree with that because I am sure that is not the case. From what we have heard lately in this house I do not think the government could ever be accused of refined political patronage in view of the crude methods we have recently heard of. I think that disposes of that argument.

I should like to deal with some remarks made by the Minister of Industry (Mr. Drury) when he replied to a question from me, concerning unemployment in the city of Brantford, during the course of debate on a previous occasion. I pointed out that because of the relocation of the Massey-Ferguson plant at Brantford, which is perhaps the principal industry in Brantford, there had been a large amount of temporary unemployment.

This point was also made by other members. The minister replied, as reported on page 3652 of *Hansard* for October 16:

> The figures I have given to the house related to the current summer months while this high level, or allegedly high level, of construction activity has been going on in Brantford. When these buildings are completed those in the construction trades engaged in building the plants will be laid off. They will be replaced by the people operating these plants, but there will still be the same number displaced in the unemployment roles as those now engaged in the construction industry and who will be laid off when building is completed.

I thought there was something a little peculiar about that so I took the trouble to look into the matter, and I found that the Massey-Ferguson plant at Brantford is being built by a very large Toronto firm. It is an international firm which has a Canadian connection in Toronto called Cunningham-Limp, a hyphenated name. About 90 per cent of those employed in building the plant come from Toronto, so I do not think there will likely be many from Brantford laid off when the job is completed, or an increase of the unemployment roll for the city of Brantford.

In conclusion, Mr. Speaker, it is no use making a purely critical speech in the house unless one tries to offer something constructive in exchange. In summary therefore I suggest this: I hope the government, when it deals with matters such as this in the future, matters which clearly interfere with provincial fields, will consult the provinces and/or the municipalities concerned before it adopts this legislation. Before any more of these areas are designated to receive tax advantages I hope they will be consulted. As I said in the first place, we approve of this legislation; I think everyone does. But it is the methods used to bring it into effect which are under criticism.

Second, I hope the government will have a good look at Bill No. C-95, as to the possibility of its being ultra vires. Then I would also suggest a very careful look be given at the method of designating these areas. The hon. member for Northumberland (Miss Jewett) made a very able speech in this connection and pointed out ways in which the legislation could be improved. I hope her remarks will be given consideration.

Finally, because of the big row which has been so widely publicized all over Canada in connection with the designation of Brantford, I hope the minister in question will very carefully look at the whole industrial area surrounding that city. While it may be technically a series of areas, through the use of the national employment office as a base for designating an area I would ask the minister to look at the actual facts of the matter and to designate the whole complex, of which Brantford is but a part. As I have already mentioned, it would include Kitchener, Guelph, Woodstock, Waterloo and the like. I think this would obviate some of the difficulties which have arisen. I shall probably have some more remarks to make when we get to a clause by clause study of the bill in committee. I realize I have wandered a little far afield, but since this bill is so closely related to the Department of Industry and covers so many matters I felt I was entitled to do so.

[*Translation*]

**Mr. Lucien Plourde (Quebec West):** Mr. Speaker, it is with pleasure that I rise to speak on Bill C-95, an act to amend the Income Tax Act.

I only wish to point out to the house the discrimination which may result within some categories of people from that all too well known Income Tax Act. The small wage earners, who cannot afford to hire an accountant to prepare their income tax returns, are those who are confronted with that all too well known problem, that all too well known return which comes at the beginning of the year.

I have here a letter from one of my constituents who is quite surprised that the Minister of National Revenue should send him a letter to tell him that his claim for charitable donations has been reduced to $200. That man is amazed at such a thing, and he tells me that he will not go and see at the Quebec office what it is all about because he thinks it is useless and he asks me what to do. The employees of the income tax office tell him that they have the right to do so and that everything is according to regulations.

In my opinion, an investigation should be made and those people told why supposedly genuine receipts for charitable donations are reduced from $400 to $200. In this case, Mr. Claude Cote, residing at 586 Napoleon street, Quebec city, will get a reimbursement of only $13.15 instead of $45. Several other people are in the same situation.

Mr. Speaker, in my riding, small businessmen, small shopkeepers struggle with their income tax return at the beginning of each year and they cannot even afford to hire an accountant, and even if they do, it is at the price of great sacrifices. And why is that? Simply because that income tax form is too complicated and not easily understood by most people. In fact, nine people out of ten cannot understand the terminology of those famous forms.

I saw yesterday in the Montreal *La Presse* that the arts faculty students at the University of Montreal and the night students at Sir

George Williams University have signified their intention of meeting the parliamentary secretary of the federal minister to ask that their education costs be deductible. At the present time, regular students only are entitled to that privilege. Students of the arts faculty of the university of Montreal and those taking evening courses in any university are not considered then to be regular students by the government. In my opinion, they should be entitled to such a reduction. I would even go as far as to say that family heads should be allowed to deduct from their income tax all it costs them today to educate their children.

It is my considered opinion that the Income Tax Act should be revised and simplified in order that it may be understood by all Canadian citizens who have to deal with this famous problem of the income tax return.

It is the lower bracket salaried workers who are unfairly treated in this, because they have to fill their returns as best they can, since they do not understand all the wording and cannot afford the advice of those experts who always find a way to reduce the tax to a minimum. What is then to be feared in all that? I believe that the victim is always the low salaried worker, the small concern or the small merchant.

If the return forms were simplified there would be much less trouble for the general public, which has nothing but hate and contempt for the Minister of National Revenue. It is precisely because of the complexity and ambiguity of the Income Tax Act that the minister's experts should, in my opinion, try to simplify the language used in income tax returns.

If we had clear, simple and precise return forms that anyone could understand and if the expressions used were more familiar, all Canadians would be proud, at the beginning of the year, to pay what they owe to the government. As it is, the prospect of having to fill out a return in the near future is a nightmare.

Therefore, I feel that it would be possible to avoid such a headache for our constituents by simplifying the Income Tax Act.

Mr. Speaker, as representatives of the people, our duty here is to approve good legislation and fight bad legislation, but especially to improve legislation which needs to be improved and the Income Tax Act is certainly one which could stand improvement.

I feel that all members will support the amendment I wish to bring to this bill in order, once again, to be fair to the small wage earners of Canada and especially those of my riding, where the great majority of people belong to the working class and, all things considered, find it hard to earn a living and have to work both in the daytime and in the evening to make ends meet. And why? To keep our largest industry, the federal government, going.



I move, seconded by the hon. member for Charlevoix (Mr. Belanger) that Bill C-95 be not now read a second time but that it be resolved that, in the opinion of this house, the said bill should be redrafted by the counsels, advisers, experts, translators and drafters of the Department of Finance with a view to clarifying, elucidating, explicating, vulgarizing, clearing up, explaining and bringing within the understanding of all concerned the provisions of the said bill, so as to improve the terminology, the lexicology, the phraseology and the punctuation thereof in order to avoid the complications, entanglements, uncertainties and ambiguities which tend to render the Department of National Revenue odious, despicable, despised and held in contempt by the public.

I hope, Mr. Speaker, that the members of the house will be happy to adopt that amendment.

**Mr. Deputy Speaker:** Order.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I am wondering if this is an amendment or a dictionary. I am wondering also if that amendment is in order. I submit to Your Honour that it is urgent to decide whether it is or not.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, on the point of order. If the Secretary of State (Mr. Pickersgill), whose knowledge of the procedure is well known, is only wondering if the proposed amendment is in order, I claim that it is.

[*Text*]

**Mr. Deputy Speaker:** I might say that offhand the proposed amendment would appear to be anticipating the committee stage, where it is possible to suggest that certain changes be made by way of amendment to a bill before the committee; but if any hon. member has any comments to make before I make a formal ruling I would be pleased to hear him on the point of order.

**Mr. Pickersgill:** Mr. Speaker, because I do not want to encourage amendments at any stage I had hesitated to suggest that what is sought to be done by officials outside the house would be a more appropriate task for the members of the house who are elected for the purpose of legislating, and that the hon. gentleman would have an opportunity when we reached the committee stage to put forward "le meilleur français qu'il désire dans le bill", but that there did not appear to me to be any reason why we should depart from the normal rules and, on the second reading of the bill when we are only considering the principle, seek to anticipate all the details which by our rules are taken up in committee.

For that reason, sir, it did seem to me that the amendment was not in order but, of course, I bow to the Chair in any decision.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I think that precisely on second reading, we discuss the principle of the bill. Well, it is actually a matter of principle for us to make sure that the legislation is drafted in such a way that our Canadian citizens can understand it instead of having to come up against its ambiguous points.

That is why we submit it is actually a matter of principle that the wording of this legislation be simplified so it can be understood. Therefore, I submit that this amendment is completely in order even if it is moved at this stage.

It is unfortunate this amendment might delay the passing of Bill C-95, but I submit to you, Mr. Speaker, and to the Secretary of State, that it will take less time to have it simplified now than to wait until we are in committee where there would have to be amendments on every section, one after the other and that, in order to find a more simple wording so that every Canadian citizen can understand the act.

The trouble now is that our legislation cannot be made out, particularly the Income Tax Act. So, we might as well revise it now, at this stage, rather than wait until it is discussed in committee because that would mean longer delays in the passing of the bill.

**Mr. Jean-Pierre Côté (Longueuil):** Mr. Speaker, all I can say on the amendment moved by the hon. member for Quebec West (Mr. Plourde) is that its wording seems still more complicated than the wording of the bill in question.

**Mr. Gregoire:** So, you do not like complicated things? It was with a view to—

[*Text*]

**Mr. Deputy Speaker:** The arguments which have been submitted on the point of order do not change the opinion which I had, prima facie, upon the point of order concerning the amendment proposed by the hon. member for Quebec West (Mr. Plourde). The opinion I had at the time, and which I should like to confirm now, having heard argument, is that there are certain amendments which are proposed, but which would be proposed normally in the course of the debate before the committee. I should like to cite as authority in support of this proposition Beauchesne's fourth edition, citation 390, which reads as follows:

> An amendment to the second reading of a bill which covers alleged defects that can be remedied when the measure is considered in committee was ruled out by Speaker Glen on June 17, 1942, on the ground that it exceeded the limits prescribed by the rules and practice of both the United Kingdom and the Canadain House of Commons.

Then, I should like to cite May's sixteenth edition, page 531, as follows:

> The amendment must not be concerned in detail with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee.

These two authorities confirm and substantiate the principle which I have brought to the attention of the house and which, in my opinion, show that the amendment is not in order and cannot be received at this time.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a point of privilege, and I draw to your attention standing order 12, which reads:

> —in explaining a point of order or practice, he shall state the standing order—

I should like to know the number of the standing order in question.

**Mr. Deputy Speaker:** If the hon. member reads on the standing order, he will see that one has to state the standing order or authority. For the hon. member's information, I referred to two authorities.

[*Text*]

**Hon. George C. Nowlan (Digby-Annapolis-Kings):** Mr. Speaker, in rising to take part in this debate on second reading I must first express my appreciation of, and my sympathy with, the amendment which has just been moved. I think every one of us who has had anything to do with the Income Tax Act would dearly love to see the language simplified to a much greater extent than has hitherto been possible. I am afraid that from time to time when that has been attempted, the result has been more confusion and less clarification. At least, it is a highly desirable objective, and I should like some day to see it achieved, although frankly I doubt if that can ever be done with a taxation statute as complicated as the one with which we are dealing at the moment.

Before I start on my brief résumé of the criticisms we on this side of the house may have in respect of the income tax bill, and I propose to be brief, I should like to make something very plain to the house leader with whom I have had a preliminary discussion on this matter. There are various members on this side of the house who would like to take part in this debate and who have suggested to me that they would like to speak on second reading. I know that for various reasons it is desirable to proceed with second

reading as quickly as possible. I would assume, Mr. Speaker, that we have the understanding which has prevailed heretofore, that after second reading is achieved and when the first clause is before the committee, hon. members will be given a reasonable degree of latitude to discuss the bill rather than be confined strictly to the first clause. This is, after all, a technical bill and one might enforce the technical rule that one must confine his remarks to the first clause. If that were not the case, then I can assure the house leader that various other members will be speaking on second reading. Although I can give no assurance as to what may transpire, if we have that assurance, I think as far as the official opposition is concerned we would not wish to pursue second reading much farther than it is at the moment.

**Mr. Pickersgill:** I can say that I believe there has been no disposition at any stage on this side of the house to be narrowly technical about these matters. I think it has been the custom of the house, on the first clause of these important and complicated bills, to review some of the general considerations that perhaps have nothing to do directly with the principle of the bill and which hon. members want to put forward before they come to a consideration of the details of the bill. It is my understanding that neither the Minister of Finance (Mr. Gordon) nor I would be at all disposed to raise technical points of order.

**Mr. Nowlan:** Thank you; with that understanding, perhaps we can discuss for a few moments certain aspects of this measure, because before I sit down I intend to make a motion with regard to the second reading of this bill. The bill is a highly technical one and it can be considered in various ways. I propose to speak briefly because obviously if one were going to go into this matter at length, he could spend the full 40 minutes without even scratching the surface of what could be explored.

Looking at the bill in a casual way, which one must do on second reading, knowing that you are simply dealing in general with the principle, I would assume that there were perhaps four parts to it. The first, of course, would be certain technical amendments which are embodied in the bill and which I assume most members would be prepared to agree are of a technical nature, and which I am sure have been recommended by the officers of the department based on experience which has been derived in the administration of the act. I do not believe any time should be spent on a discussion of these technical amendments at this time. When we are in the committee, of course, the technical amendments will naturally be debated and opinions expressed thereon.

Then, there is the second classification which, for lack of a better term, I can refer to as the section dealing with tax avoidance. I am not here speaking of tax evasion, but of tax avoidance. I am thinking particularly of the provision which relates to what I would call, for lack of a better term, dividend stripping, which the Minister of Finance has introduced into the bill. It gives the minister very wide powers. You will recall, Mr. Speaker, this matter was discussed at the resolution stage and some of us expressed very forcibly our opinions with respect to it. I will say that the minister has attempted to meet some of the criticisms which were raised by widening the power of appeal which was set forth in the original resolution.

With all due respect, Mr. Speaker, I say that I do not think the power of appeal goes far enough. In fact, I do not believe it is possible to draft a section to give a power of appeal where the minister exercises a discretion. Some of us are conversant with that statement which is common amongst lawyers and which came down to us over a century ago, "The devil himself knoweth not the mind of man". I am sure that no one questions the integrity of the Minister of National Revenue (Mr. Garland), for whom we all have great respect and, I am sure, a great personal liking. When it comes to exercising discretion, if the Minister of National Revenue exercises his discretion honestly, and I am sure he would, then there is no appeal. The Minister of Finance has tried to rectify that by widening the power of appeal. I suggest, with all due respect, Mr. Speaker, that the amendment before us does not accomplish that purpose.

One certainly does not have to take my word for this. All he has to do is read the debate which took place at the Canadian Bar Association meeting at Banff a few short weeks ago. The opinions expressed by the tax lawyers and those who are conversant with these problems are to the effect that this is not a proper thing to do under this act. I know how complicated this problem is. I have had some experience, Mr. Speaker, in trying to deal with it myself. I suggest, with all respect, Mr. Speaker, that we do have a royal commission now dealing with the whole problem of taxation. This problem has been in existence for many years, as the minister has said. Undoubtedly, there have been abuses and perhaps the abuses have been exaggerated. However, there have been abuses; but I would suggest it would have been better for the minister to have allowed this matter to

stand until the royal commission on taxation made its report. I believe there will have to be far reaching changes made in this act. I was somewhat familiar with some of these not too many months ago. Frankly, I do not believe this is the way in which to deal with this matter. In fact, I say it is a retrograde step.

At one time, as we know, the Income Tax Act was replete with ministerial discretions. You had sections being administered by a minister or perhaps by a deputy minister, and on one occasion decisions were rendered one way and then when there was a change in personnel these sections were administered in another way. In order to eliminate this problem this parliament, not under the government of which I was a member, some years ago abolished the ministerial discretions and established an income tax appeal board. Parliament said that hereafter the Minister of National Revenue is not to exercise any discretion. Personally, after having had some little experience in office, Mr. Speaker, I think that was a proper decision, a proper attitude to take. I think this is a retrograde provision, and I would strongly urge that parliament should not enact it at this time. That is the second area.

The third area deals with tax incentives. The hon. member for Northumberland (Miss Jewett) spoke the other day at some length, and with ability and understanding of the philosophical background of tax incentives. I think that if she were starting to write the book of Genesis over again, possibly she would be right in the pronouncements she made as to how the world should be recreated. Or perhaps what the hon. member said would apply if we were in France, where you have a centrally controlled economic situation under their economic boards, or if we were even in Great Britain where the board of trade can say to a new industry, "You will locate in X city or you will not get a certificate," or "If you locate in Y city you will get nothing."

But we have not got that authoritarian control in this country. So far as this party is concerned we do not want to see that degree of control exercised by any government, and I would be very much surprised if hon. gentlemen opposite would like to see control exercised to that extent. But that was the thesis of the hon. member for Northumberland in talking about the benefits of incentives.

I say philosophically if you have the authority and this control maybe—although it is debatable from the economic standpoint—those incentives would achieve the purposes to which the hon. lady referred; but frankly I do not think in the state of our free economy, so-called, we can expect to get the same beneficial results flowing from the incentives to which she referred.

There is another and real criticism of the incentives, and it is that they are discriminatory. Here we are on the verge of what I see as the real crux of the problem in these income tax amendments with which parliament is confronted—the discrimination between the good boys and the bad boys, the discrimination in favour of those which do achieve what the term used in the act says is a degree of Canadian ownership or a degree of Canadian control.

As I said at the outset, I do not intend to debate any of these matters at the moment. This is not the time for that. I am speaking generally now, preparatory to the motion which I propose to make before I sit down; but this is one of the problems involved in this bill, this matter of, if you have a degree of Canadian control or Canadian ownership then you are going to get a tax incentive, a write-off, or various other things. If you have not got that degree you do not get these incentives; you get some, but not others.

The Minister of Finance on that long ago night, which I am sure he would like to forget, when he first brought in his budget told us this was a budget which was going to deal primarily with employment. Does it make any great difference to a man working on a lathe whether that lathe is being operated by a Canadian company which has a degree of Canadian ownership, or whether it does not? Will his dinner pail be all the more full because he is working for one company rather than another? One could go on analysing these things, but this is not the time for such analysis. I am simply pointing out that in the incentives you have this factor of Canadian ownership, and that has particular application when you come to the area of the withholding tax.

I think that is a matter not too well recognized by our friends in the press gallery. They report very accurately when we are absent from this house and report very fully on matters and discussions vis-à-vis parties and their seating arrangements, but I noticed the other afternoon, when the Minister of Finance spoke at some length on second reading, his speech did not attract the attention it deserved. But in my opinion, and in the opinion of hon. members with whom I am associated on this side of the house, these proposals with respect to the withholding tax have a potential, most serious threat to our economy and are matters which should be considered very fully indeed before the house gives second reading to this bill.

It is true that the Minister of Finance on moving second reading the other evening gave a long list of countries to which he said there were special considerations given. And the Minister of Finance was absolutely right. You will find the list of them, or some of them at any rate, given at page 3638 of *Hansard* for October 16; but what the Minister of Finance did not point out—and I am sure he did it unwittingly—was the fact that these statute measures to which he referred were involved in corporation acts and were matters of incorporation and not of taxation.

I have had several letters from some of the companies to which the minister referred, some of the companies incorporated in these various countries, and all of them have asked me to ask the minister if he can name one act in which there was a discrimination vis-à-vis taxation rather than in the creation of the incorporation statute itself. I would ask the minister when he replies to point out any statute dealing directly with taxation in which there is a discrimination between companies which are owned by one class of citizens and companies which are owned by another class of citizens.

We are here entering into a matter of discrimination between taxpayers. As I understand the law in my not too long association with it, and after all I did practise law off and on for quite a few years—I do not recall any discriminatory tax provisions where taxpayers of one category were treated beneficially and taxpayers of another category were treated prejudicially. I do not think I can recall one at the moment, and I would like to have the minister comment on this point.

Another matter about withholding taxes to which special attention should be drawn is that the statute as we have it before us is clearly anti-American. The United States is the only country which can be affected by this income tax act as we have it at the moment, because under every other taxation agreement—and the minister can correct me if I am wrong; I do not profess to have an authoritative and detailed knowledge of every other taxation agreement—every other tax treaty we have, whether it is with Denmark, Belgium, the United Kingdom, France or any of the other countries in the world with which we have treaties, there has to be notice of abrogation. There has to be a period laid down, usually before June of one year to be effective in December the following year. The only treaty which can be abrogated by either party unilaterally is the American treaty, and that treaty says that when either party makes a tax or changes a tax, then so far as that tax is concerned the treaty is abrogated.

[Mr. Nowlan.]

Therefore I am saying this is deliberately—I will not say deliberately, but automatically—an anti-American process, and the United States is the only country affected like this. I would like the minister to tell us whether he has given notice of abrogation to other countries, and to tell us which countries he has given notice of abrogation to, or whether he will simply be abrogating automatically by passing this bill.

The minister may say, and I have heard this suggested in discussions in the corridors, that it is true parliament may pass the act today, the Senate may approve it today, and the Governor General give it his approval, but it does not come into effect until 1965, or at least we will not impose the tax until 1965, and we pray, hope, believe, and trust that the Americans will not take notice of it until we impose the increased tax.

That may be so, Mr. Speaker, but I think it is rather an unusual thing. I am sure no one here would realize once we pass this bill, if it is so construed, that then in any case it can be deemed to be an abrogation of the American treaty. But if it is, what happens? You get automatically a 30 per cent withholding tax. That is the tax which applies in the United States on dividends paid—30 per cent, unless there is a treaty. Although we have heard a great deal of discussion—and with this I do not quarrel—about the fact that there are American controls here and we should do something about them, and I quite agree—although I do not think it has ever yet been proven that economic penetration means political domination; that is a matter for argument—we must not forget that there happens to be a few millions of dollars invested by Canadians in the United States. And if one looks at the figures and balances the populations, which I would like to do if we were in committee, we would get an amazing result following an analysis of that picture. But in any event, what is going to happen with Canadian corporations operating in the United States?

If the 30 per cent tax comes into effect, will they have to retain very able corporation lawyers to change their corporate structure, as they easily can do, and become parents, with their Canadian companies becoming subsidiaries? This is something which can happen, and the Canadian treasury then loses the benefit of the tax and we lose control of the corporations.

This and a dozen other company questions could be raised. I am simply suggesting these as illustrations of what could be done, and why I think this question is more involved and deserves more careful consideration than what has been given to it here previously, and why we should spend more time on it,

even in the committee of the whole. This is a matter of paramount importance. This bill should be given the most careful study, and members of the House of Commons should have the benefit of the advice of experts and get the reaction of corporations and people who are going to be affected by it.

We hear a great deal about expanding our markets and our economy. Well, Mr. Speaker, where is the greatest opportunity for expansion but in the United States of America? That is the great market right next door to us, with 185 or 190 millions of population, and I suggest that for Canadian subsidiaries operating down there, and companies which I could name but which I am not going to do at the moment, their future development will be adversely affected if this bill goes into effect.

I feel very strongly that we should give careful consideration to all these matters—more, say, than has been done heretofore. One could continue at length if we were in committee, as we shall be, if the house sees fit to move into committee. But I would hope that instead of sending this bill to the committee of the whole, as would normally follow, we would send it to the committee on banking and commerce where it could be studied further and become the subject of a report from that body.

Therefore, without taking further time, I move, seconded by the hon. member for Perth:

That this bill be not now read a second time but that the subject matter relating thereto be referred to the standing committee on banking and commerce.

**Hon. Walter L. Gordon (Minister of Finance):** This, of course, is a motion in which confidence is involved and I should like to say a few words about it in replying to the remarks which have just been made by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan).

To begin with, I should like to join with him in his remarks about the suggested amendment made by the hon. member for Quebec West (Mr. Plourde). I must say I sympathize with him and I agree that it would be much better if our taxing statutes were rewritten in language which the ordinary person could understand without the need for calling in tax lawyers.

**Mr. Nowlan:** Or tax consultants.

**Mr. Gordon:** I was going to leave it at "tax lawyers". Perhaps that was a matter of personal preference. I think, though, that if the language is to be simplified, the whole act will have to be simplified and a lot of the sections in it will have to be eliminated in the interest of a simpler approach. I hope very much that the royal commission on taxation will be taking this matter into account in its deliberations.

I do not think I should go any further without drawing attention to the remarks which the hon. member for Digby-Annapolis-Kings made about the budget—a budget which he stated I would be very glad to forget. On the contrary, the proposals made in the budget are parts of the policy of this government which we want to see implemented just as quickly as we can.

**An hon. Member:** The remaining parts?

**Mr. Gordon:** Yes, the parts that are incorporated in this bill. I do not wish to be unpleasant but I do not think the hon. member for Digby-Annapolis-Kings is in a position to hold himself out as an expert in the presentation of budgets.

**Mr. Nowlan:** Much better than you are. At least, I did not bring in a rotten one.

**Mr. Gordon:** No runs, no hits, no errors. Well, I do not want to get into controversy with the genial former minister of finance but I think, sometimes, that to do nothing is worse than anything.

**Mr. Nowlan:** The policy of your party was to keep us from doing anything.

**Mr. Gordon:** In moving that this bill be referred to a committee the hon. gentleman is in effect moving another motion of non-confidence in the government.

**Mr. Nowlan:** Not necessarily.

**Mr. Gordon:** We shall accept it as such. At the same time, the hon. gentleman is seeking to ignore the fact that the budget itself was debated fully and at length. He is ignoring the fact that we had two votes on the budget—or three if the supply motion on July 2 is included in that category, as I think it should be. He is ignoring the detailed resolution on the income tax which was debated at length, and he is ignoring the fact that it is high time this bill was passed so that the businessmen of this country may know what the rules are going to be.

There have been 15 votes of confidence this session. I do not pose as an expert in these matters but, surely, that must be something of a record. I wonder how many more confidence motions we need to sustain the government's position.

**Mr. Lambert:** You are calling the supply motions.

**Mr. Gordon:** I am talking about this particular motion.

In my statement on October 6 on the second reading of this bill I said that most of

the amendments to the Income Tax Act fall into one or another of three categories. The hon. gentleman mentioned four, but one of those concerned certain very technical amendments, so I think we are both right. I do not think many hon. members would seriously question the desirability of plugging loopholes in the act. The proposed amendments which are designed for this purpose come into the first of the three categories I have mentioned. Points of detail have been raised and I will attempt to deal with these when we come to the particular clauses in the bill. But the hon. member for Digby-Annapolis-Kings mentioned one item in particular, an amendment designed to stop what is known in the trade as dividend stripping. I am delighted to hear that the hon. gentleman is a member of the trade and that he has some knowledge of this particular operation.

**Mr. Nowlan:** We also employ consultants to give us taxation advice.

**Mr. Gordon:** You would do better if you employed accountants. Anyway, it is easy to say: Do nothing about blocking this particular loophole, because there is disagreement as to the best way of approaching this problem. It is easy to say in this particular case that it is unwise to place discretion in the hands of the Minister of National Revenue. It is very easy, as I said a minute ago, to do nothing. But this is an area where very large sums of money are escaping taxation. We do not know when the report of the royal commission on taxation will be ready. We do not know what the commission may suggest as a means of dealing with this problem. We do not know what the reaction of the Canadian Bar Association or others may be to the proposals which the royal commission may make. Therefore, it seems to me that in the meantime we have a duty to stop what has been going on in a wholesale fashion. Not only do I make no apology for this particular amendment; I say it should have been introduced long ago.

The second category of amendments deals with incentives designed to increase employment, especially in areas of slower growth. I was pleased that the hon. member for Digby-Annapolis-Kings should have referred to the speech made the other day by my hon. friend from Northumberland (Miss Jewett). I thought hers was one of the best speeches I have listened to in this house. It was thoughtful. It showed that a great deal of research had been done. And it was not dogmatic in any way. My hon. friend pointed out on that occasion that there are a variety of ways of providing incentives of the kind now under consideration. She indicated that many different ways had been tried in other countries and that no one pretends that any particular formula is perfect. She suggested, if I recall her words correctly, that it is better to try to do something and then, if abuses are found, or if it is found that the formula can be improved, to correct the situation than it is to wait indefinitely in the hope that somehow or other somebody will come along with a perfect formula.

I was surprised that the hon. member for Digby-Annapolis-Kings should suggest or imply that he was not in favour of the kind of incentives which can influence the location of new businesses and factories in areas of slower growth. Because one of the things we hope to accomplish by these amendments is to encourage industry to locate in the part of Canada which the hon. member represents and which everyone in the house knows has lagged behind the rest of Canada in economic growth and development.

**Mr. Nowlan:** Mr. Speaker, on a question of privilege, the hon. member was speaking of days when he was a tax consultant in Toronto. Nova Scotia is not now lagging behind; it is leading the rest of the country.

**Mr. Gordon:** If the hon. member is serious, I wish he would go to Sydney and Cape Breton and make that statement.

**Mr. Nowlan:** I have made it. I doubt very much whether the Minister of Finance would dare go to Sydney, in view of what he said about expelling people from the maritimes so they could get jobs elsewhere.

**Mr. Gordon:** Well, let us come back to earth. I do not believe that remark was very helpful. I have been to Nova Scotia many times to answer that kind of charge, usually made, if I remember correctly, by the hon. gentleman's seatmate.

**Mr. Deputy Speaker:** I might be allowed at this point to mention to the minister that at this stage of the debate he cannot attempt to reply in general to the comments and speeches made so far. My understanding is that at this point he is referring to the specific amendment proposed by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), and that is all. If he were making a general reply to contributions to the debate he would close the debate, and I would have had to warn the house that he was closing the debate. I assume other speakers would want to get to their feet, so I suggest that his comments be limited to the advisability or otherwise of adopting the proposition made to the house by the hon. member for Digby-Annapolis-Kings.

**Mr. Gordon:** I stand corrected, Mr. Speaker, and I am grateful for your advice.

I should like to refer if I may, because it has a bearing on this motion, to the third category of amendments which deal with the withholding taxes, because it seems to me that they have a direct relationship to the proposal to refer this matter to the banking and commerce committee. I am fully aware that these proposals have been criticized by some people in business and financial circles, but I might say that an increasing number of thoughtful Canadian businessmen have been telling me lately that they think that what the government is doing or trying to do in this respect is correct.

**Mr. Fisher:** These are the thoughtful ones.

**Mr. Gordon:** They are the thoughtful ones. I think it is understandable that the owners of some foreign firms with subsidiaries in Canada do not like to be asked to take in junior partners, because the interests of those partners would have to be taken into account when company policy was being debated and decisions arrived at.

**Mr. Lambert:** Mr. Speaker, on a point of order, I think we are getting ourselves into considerable difficulty at this point, if the minister continues to reply to arguments vis-à-vis the general nature of the amendments proposed by this bill. I submit to Your Honour that the minister should only reply to the advisability of the amendment to refer the contents of this bill to a committee. The minister will then have full opportunity—

**Mr. Macdonald:** Closure.

**Mr. Lambert:** I do not think the hon. member for Rosedale (Mr. Macdonald) is in any position to comment. The minister has full opportunity to reply to all hon. members, but it is a rule of the house that when he does so he closes the debate. If the minister continues his reply to the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) on the nature of the amendment, then other hon. members should be able to rise again, and the house will be getting into the position that members will be able to speak twice when Your Honour is in the chair. This is not contemplated by the rules.

**Mr. Macdonald:** A great lecture.

**Mr. Monteith:** You can stand one.

**Mr. Lambert:** I suggest that we are getting into a difficult position. I am interested in what the minister has to say, but not at this stage.

**Mr. Deputy Speaker:** I am in full agreement with the comments made by the hon. member for Edmonton West (Mr. Lambert), which are of course, in substance, the same as the comments I made previously. I would ask the minister to try to limit his comments to the amendment, which relates to the advisability of referring the subject matter of this bill to a standing committee of the house.

**Mr. Gordon:** The reason I was referring to some of these matters in a little more detail than perhaps I should, Mr. Speaker, was because the motion to transfer this bill to the committee on banking and commerce would obviously mean delay in getting ahead with the legislation. The bill contains a number of matters which are vital, integral parts of the broad economic program of this government, and in our opinion on this side of the house the sooner it is dealt with the better. I fully appreciate there are those who would like to see the bill transferred to committee in the hope that there it might be disembowelled, disembodied, dismembered, and destroyed or at least delayed. We however, think that this would be contrary to the best interests of the country.

I hope I am in order, Mr. Speaker, when I say that there are many hon. members of this house who believe that changes are needed and must be made if Canadians are to take full advantage of the opportunities which are ours. Many of us feel we should get on with this bill as quickly as possible, that there is nothing to be gained by transferring it to a committee, in the hope that it may be delayed for some considerable time. So, Mr. Speaker, I urge all hon. members of the house of all parties to oppose this motion, and having done so I would ask them to let us get on with the bill and get it through.

**Mr. Nowlan:** Mr. Speaker, in view of the language used by the minister a moment ago may I ask him a question. Does he think that if the bill is referred to a committee for analysis and study this will result in the disembodiment and destruction of the bill?

**Mr. Gordon:** Yes, Mr. Speaker.

**Mr. Macdonald:** You said it, not he.

**Mr. Colin Cameron (Nanaimo-Cowichan-The Islands):** Mr. Speaker, I do not propose to enter into the debate between the Minister of Finance (Mr. Gordon) and the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) as to whether a bad budget is better than no budget at all. Personally I think they are both bad. With regard to the motion that the contents, the subject matter of the bill, be referred to the committee on banking and commerce, first of all I am forced to wonder whether this is actually something appropriate for consideration by the banking and commerce committee. It seems to me to be going

far beyond the usual scope of that committee, of which I have been a member on and off for a decade.

I realize we already have in existence a body studying the taxation structure of Canada, the royal commission on taxation. In fact, Mr. Speaker, I am forced to the conclusion that the hon. member for Digby-Annapolis-Kings must feel that he and his colleagues are incapable of producing relevant amendments to deal with their objections to the bill when it does come before the committee of the whole, which may well be the case. But I doubt whether their inability in this regard will be cured by having it appear before the standing committee. I also feel there is a great deal of validity in what the minister has said, namely that the uncertainty throughout the country with regard to this bill should be cleared up as soon as possible. After all, I recall a previous government which was extremely reluctant to allow any discussion at all, in committee or anywhere else, of one of their rather dubious exercises in extra taxation, namely the surcharges.

**Mr. A. B. Patterson (Fraser Valley):** Mr. Speaker, I should like to make a brief reference to the amendment now before the house. We in the Social Credit party have stated time and time again—in fact it has been our conviction for many years—that a complete revision of our whole tax structure is absolutely necessary if we are to achieve our objectives. We are not convinced that piecemeal legislation or a piecemeal approach to the problem is satisfactory by any means. As I have stated, our position is that a complete revision is essential. As has been pointed out, there is already a body studying this matter in its totality and we are in hopes that when the report is brought down and the recommendations are made many of these matters will be cleared up and many of the inadequacies will be remedied.

With regard to referring the subject matter of the bill to the committee on banking and commerce, we feel that this would not be in the best interests of the country because of the uncertainty that is continuing to plague our national economy. Surely we must face reality in some of these matters. We cannot keep our economy unbalanced for months and months on end. There must come a time when people will at least know where we stand and what the proposals are. I think that the bill should be proceeded with, without referring the subject matter to the committee on banking and commerce.

[*Translation*]

**Mr. Plourde:** Mr. Speaker, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), who wants to refer the measure to the banking and commerce committee, will not be surprised, I hope, to see that I do not agree with him.

A while ago, he did not stand up to express his opinion; he hesitated to do so and he chose not to commit himself. So, if we had appealed against the Speaker's ruling, he would not have supported us. When he saw that we were bowing to your ruling, Mr. Speaker, he stood up and commended us for our amendment, saying that it made sense, that the forms were indeed too complicated and could be simplified.

Mr. Speaker, we bowed to your ruling to discuss the measure clause by clause, and this is what we intend to do.

I want to thank the Minister of Finance (Mr. Gordon) who recognized that the forms are complicated, from the standpoint of terminology, and that they should be simplified.

[*Text*]

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

**Some hon. Members:** Question.

The house divided on the amendment (Mr. Nowlan) which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Aiken | Lambert |
| Alkenbrack | Loney |
| Baldwin | MacEwan |
| Bell | MacInnis |
| Bigg | MacLean (Queens) |
| Cantelon | Macquarrie |
| Cardiff | MacRae |
| Casselman, Mrs. | McBain |
| Chatterton | McCutcheon |
| Churchill | Madill |
| Clancy | Mandziuk |
| Coates | Martineau |
| Cooper | Millar |
| Danforth | Monteith |
| Diefenbaker | Moore |
| Dinsdale | Muir (Cape Breton North and Victoria) |
| Enns | Muir (Lisgar) |
| Fane | Nasserden |
| Fleming (Okanagan-Revelstoke) | Nesbitt |
| Forbes | Nielsen |
| Grafftey | Noble |
| Gundlock | Nowlan |
| Hales | Nugent |
| Hamilton | Pascoe |
| Harkness | Paul |
| Horner (Acadia) | Pigeon |
| Horner (Jasper-Edson) | Pugh |
| Horner (The Battlefords) | Rheaume |
| Howe (Wellington-Huron) | Simpson |
| Irvine | Skoreyko |
| Jorgenson | Smallwood |
| Kennedy | Smith |
| Kindt | Southam |
| Korchinski | Starr |
| Lamb | Stefanson |
| | Stenson |

| | |
|---|---|
| Valade | Willoughby |
| Watson (Assiniboia) | Winkler |
| Webb | Woolliams—78. |
| Weichel | |

NAYS

Messrs:

| | |
|---|---|
| Addison | Howard |
| Armstrong | Howe (Hamilton South) |
| Badanai | Jewett, Miss |
| Basford | Klein |
| Batten | Knowles |
| Beaule | Laing |
| Bechard | LaMarsh, Miss |
| Beer | Lamontagne |
| Belanger | Lamoureux |
| Benidickson | Langlois |
| Benson | Laniel |
| Berger | Laprise |
| Blouin | Latulippe |
| Boutin | Laverdiere |
| Cameron (High Park) | Leduc |
| Cameron (Nanaimo-Cowichan-The Islands) | Lessard (Lake St. John) |
| | Loiselle |
| Cantin | Macaluso |
| Cardin | Macdonald |
| Caron | MacEachen |
| Carter | MacNaught |
| Cashin | McIlraith |
| Chapdelaine | McMillan |
| Chevrier | McNulty |
| Choquette | McWilliam |
| Chretien | Matheson |
| Cote (Chicoutimi) | Matte |
| Cote (Longueuil) | Mitchell |
| Cowan | Mullally |
| Crossman | Munro |
| Cyr | Nicholson |
| Davis | O'Keefe |
| Deachman | Olson |
| Denis | Otto |
| Deschatelets | Ouellet |
| Dionne | Patterson |
| Douglas | Pearson |
| Drouin | Pennell |
| Dupuis | Peters |
| Emard | Pickersgill |
| Ethier | Pilon |
| Eudes | Plourde |
| Favreau | Prittie |
| Fisher | Richard |
| Forest | Rideout |
| Forgie | Rinfret |
| Foy | Robichaud |
| Frenette | Rock |
| Garland | Rouleau |
| Gauthier | Roxburgh |
| Gelber | Ryan |
| Gordon | Sauve |
| Granger | Teillet |
| Greene | Temple |
| Gregoire | Thompson |
| Guay | Tremblay |
| Habel | Tucker |
| Hahn | Wahn |
| Haidasz | Walker |
| Harley | Watson (Chateauguay-Huntingdon-Laprairie) |
| Hays | |
| Hellyer | Webster |
| Herridge | Whelan |
| Honey | Winch—126. |

**Mr. Speaker:** I declare the amendment lost.

**Mr. McIntosh:** I was paired with the Minister of Trade and Commerce (Mr. Sharp). Had I voted, I would have voted in favour of the amendment.

**Mr. Rynard:** I was paired with the hon. member for Brantford (Mr. Brown). Had I voted, I would have voted for the amendment.

**Mr. Speaker:** The question is on the main motion. Shall the motion carry?

**Mr. Lambert:** On division.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1.

**The Chairman:** Shall clause 1 carry?

[*Translation*]

**Mr. Chretien:** Mr. Chairman, as I understand the agreements between the Secretary of State (Mr. Pickersgill) and the spokesmen of the opposition parties, at the committee stage, and considering the nature of this bill, we can express our views on the whole of Bill C-95, without discussing it clause by clause.

Personally, I am of the opinion that this is an extremely important measure at the present time.

We heard the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) making all sorts of reserves concerning the bill under study, claiming that we should be very cautious, that the directors of foreign businesses having capital in Canadian industry should not be offended.

Mr. Chairman, the Minister of Finance (Mr. Gordon) was quite right when he stated, the other day, that the time for speeches is over, that action is what is now required. To my mind, Bill C-95 clearly establishes that the present government intends to act in a positive way, and to find some concrete remedies.

We all know that today, this country's economy is impaired by the fact that 60 per cent of the Canadian manufacturing industry are controlled by non-resident corporations. We must hand back to Canadians the ownership and control of their own economy.

Bill C-95 aims to put back that control of industries into the hands of Canadian citizens, by altering the rates of the withholding tax on dividends of non-resident corporations; the rate would be reduced from 15 to 10 per cent for corporations which will allow Canadians to buy their shares and to sit on their boards of directors.

In order to reach our economic aim, it is essential that Canadians have a voice on the boards of directors within Canadian industry. I congratulate the Minister of Finance for taking concrete steps to promote this repatriation of Canadian interests into the hands of Canadians.

As for those executives who do not want to have Canadians on their boards, well, they will have to pay a higher rate on dividends payable by a non-resident person, as the rate will be increased from 15 to 20 per cent.

Mr. Chairman, I am of the opinion that this bill is extremely important and represents a turning point in the history of Canada as far as taxation is concerned.

It was necessary to act quickly, and I congratulate the government for taking a bold stand in order to encourage industrialists who have invested in Canada to let Canadians have a say on their boards, so that they can have the share which must be theirs in foreign trade.

Mr. Chairman, we all know that the main economic problem now facing Canada is our unfavourable trade balance with the United States. I feel we must tackle the problem energetically, as we are doing at present.

We agree that our aim will not be easily achieved, but we feel that those industrialists will understand the situation if we clearly explain our intentions to them. As a result, in a more or less distant future, 25 per cent of the shareholders and directors of the companies which develop our natural resources will be Canadians.

I submit that this bill will be most useful in that connection and that we will have to adopt similar legislation to increase our trade with the United States so as to remove, as it were, our present trade deficit.

We will then no longer have to stand the unending pressures of American industrialists on our Canadian economy.

Mr. Chairman, the second point I wish to discuss is the review of our whole taxation structures. I gather that the royal commission on taxation is still proceeding with its work, but we all earnestly hope that it will soon submit its report to the house, so that we may be able to overhaul our taxation system. Actually, it is so complicated that it is unfair to salaried workers or owners of small businesses who have no experts at their disposal to take advantage of all the benefits which they could claim under certain provisions of the statute.

I feel that the Minister of Finance is making a concrete gesture in introducing Bill No. C-95.

In fact, he is endeavouring to eliminate certain loopholes that manufacturers or financiers could find in the legislation.

Let us consider, for example, the question of lease-purchase option agreements, where, of course the treasury could be deprived of huge amounts. Surely, we did not have to wait for royal commissions' reports or extensive studies to eliminate such loopholes. In fact, I think that it was up to the minister to act promptly, and he has done so by introducing Bill No. C-95.



Mr. Chairman, I think that the aims of the provisions contained in Bill No. C-95 are excellent. Let us take, for example, the concealment of dividends which is commonly known as "dividend stripping".

Those people have tried everything and even though it may be at times distasteful to give too much discretion to the Minister of Finance and to the Minister of National Revenue (Mr. Garland), I think that we should consider first and above all the nation's interest and endeavour to prevent people from cheating the Department of National Revenue, so that all classes of society will pay the government what the government is entitled to. We have to do it, even though certain methods might be distasteful at times; but if they prove inefficient, the government has to step in once more and to introduce new legislation, so as to do justice to every taxpayer.

Personally, I represent a riding where the unemployment situation is extremely serious, and it is with infinite pleasure that I welcomed the announcement of the Minister of Labour (Mr. MacEachen) and the Minister of Industry (Mr. Drury) with regard to designated areas, in which the county of St. Maurice-Lafleche has been included.

A point of great account, which it is extremely important to recall in the house, is that out of 66 designated areas recognized by the Department of Labour, 30 are located in the province of Quebec, which means that Quebec is the province which suffers most from unemployment in this country. It also proves that the Liberal government realized that the economic problem in the province of Quebec had to be solved. We have here some positive action, which the members from the province of Quebec should bring to the attention of the house.

It could, perhaps, be said that the legislation is discriminatory. The point has already been raised, and much fuss has been made of the case of Brantford. But none the less, it is an extremely important legislation and a most practical one, which tends to solve the unemployment problem and also the problem of Quebec's economy, where all industrial strength is practically centralized in the Montreal area, the other parts of the province having to bear the consequences of such a situation.

Thanks to this new legislation, several areas in the province of Quebec may, from now on, offer some advantage to industry, whereas they were unable to do so in the past.

Let us take, for instance, the benefits offered to the industrialists by the Minister of Industry and by the Minister of Finance, that is a tax abatement for a three year period and the possibility of a deduction for machinery and buildings over a five year period.

I think those measures ought to prompt industries to set up in the areas where unfortunately the economic situation is not favourable.

In the riding which I represent, we experienced a tremendous economic development in the years 1925-30 because at that time, we had electric power which was the key to our economy; but since the nationalization of electric power, that power can be found everywhere in the province of Quebec, and our region lost the advantages it had before.

Because of this new legislation, we hope that the industries will come and set up in our region where economic growth is very slow. I think that this legislation is not discriminatory, that it is in order and serves the interests of the nation. As was mentioned by the hon. member for Northumberland (Miss Jewett), this legislation was implemented in other countries and it gave satisfactory results.

I therefore think it is by duty to point out that this legislation is intended to decentralize industry and promote the most severely affected regions.

As regards the methods used for the designation of those places, they may come under criticism. But if we take a map and study the economic divisions where development is too slow, we find that, actually, the places which suffer the most economically in Canada will benefit from those advantages. Therefore, people should not complain about the procedure followed.

Some complaints have been heard that the municipalities and the provinces have not been consulted. In fact, it might be advisable to examine the matter more carefully in this respect. Obviously, the machinery is perhaps not yet sufficiently to the point; therefore, it is important to name a standing committee on federal-provincial relations, which would prevent interference in a field where there may be competition between the provinces and the federal government.

However, even if such a problem has been raised, this is no reason to stop the whole legislation. On the contrary, we should act. If there are abuses they should be remedied but we should not refrain from taking action because a constitutional problem may arise.

Everyone should take his own responsibilities and, in this, the government is acting quite properly.

[*Text*]

**Mr. Nasserden:** On a point of order, I wonder if the hon. member would pay more attention to the item under consideration. I think he has wandered very far from the bill we are considering at the moment.

[*Translation*]

**Mr. Chretien:** I have made a speech concerning Bill C-95, and many other members have raised similar points, so that I feel it is in order for me to elaborate somewhat upon certain points.

In concluding, I would like to say a few words on a question which affects me, and which is of great concern in the province of Quebec. We are unfortunately beset, at the present time, with a rather prickly fiscal problem, and it is that of receipts for charitable donations.

This very afternoon I received a petition bearing 600 signatures asking me to suggest to the Minister of Finance that he should consider that problem, which has been with us, in the province of Quebec, for many years—

[*Text*]

**The Deputy Chairman:** I should like to deal with the point of order raised by the hon. member for Rosthern. Members of the committee will recognize that we are dealing with the first clause of this bill. I think it is generally agreed that debate at this point is a little wider than would normally be allowed. However, I would recommend that the hon. member who now has the floor should stay as closely as he can to the terms of the bill, though I recognize there is some agreement as far as general debate is concerned.

[*Translation*]

**Mr. Chretien:** Even if I am not quite in order, I had been recognized before the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) submitted his amendment. I was good enough to yield the floor to him, and that is why I feel I should now be allowed to expound, during a few minutes, an opinion which might go somewhat beyond the clause under consideration.

Mr. Chairman, I have only one suggestion for the Minister of Finance.

I should like to come back to the excellent suggestion made by the hon. member for Lake St. John (Mr. Lessard) concerning the possibility of eliminating receipts for charitable donations and reducing from 17 to 14 or 15 per cent the tax levied at the present time on the first bracket of taxable income. Another suggestion would be to raise the tax basis in such a way that the national revenue would not lose anything and taxpayers would not have to keep on fighting with the officers

of the Department of National Revenue, thereby doing away with a practice which could be called a premium on charity.

If we are generous, we will get our reward at the end of our life on earth.

I am of the opinion that the Minister of Finance should examine those suggestions with care, for I am sure there are ways to improve the situation. Maybe there have been excesses, but the situation must be corrected. I submit that the Minister of Finance will succeed in finding a solution because, as I said, words are no longer enough, it is time to act.

**Mr. Latulippe:** Mr. Chairman, I am pleased to take part in the debate on Bill C-95.

This bill includes many things, but we would have liked it to bring forward some relief to the Canadian people. Unfortunately, taxpayers will not be helped by it. It can be noted that tax exemptions are very few. In fact, there are only a few changes, a few amendments to the various clauses which, on the whole, merely move things from one place to another.

Mr. Chairman, our society is disintegrating and we are too blind to realize it. We can judge of the soundness of society only by the wealth we have gathered. As long as we do not see sticks and clubs, we will remain very quiet, like the Bourbons of Spain a few centuries ago.

I am convinced that Bill C-95 could be improved.

Aware of our duties and obligations toward society, we claim a $3,000 income tax exemption for bachelors. In my opinion, that should be included in the bill. Married taxpayers should enjoy a $5,000 exemption, plus a $1,000 exemption for each child. Unfortunately, this is not in the bill.

Also, we claim a tax deduction on all workmen's tools used by their owners to earn their living. We should also have liked students to benefit from a tax exemption on their tuition fees. A family head should be allowed to deduct from his income tax the tuition fees for his children aged 16 and over. Unfortunately, there is no mention of those exemptions in the bill.

The government does not know where to get the money. That is why it is seeking means to replenish the treasury. I know that the government needs money and that it must find it somewhere. An easy solution would be to reduce the interest rates and to use the facilities of the Bank of Canada to finance public works. That would be two ways for the government to secure the necessary funds without cost. We could use that institution to achieve that end if we wanted to, but unfortunately it is impossible under the present financial system. It is felt that the Bank of Canada should not be put at the disposal of the Canadian people, but where is the money going to come from?

But I would ask the Minister of Finance to look for money where he can find it.

If you refuse to do so, if you have to steal money from the workers in order to give it to the needy, at least be wise enough to take it from those who benefit most from society. At least, leave what is necessary to those who need it to live decently.

Allow me, Mr. Chairman, to quote a few statistics in support of my remarks.

On page 1039 of the Canada Year Book for 1962, we find that individuals pay the same amount in taxes as companies and their shareholders. Why must they always be granted exemptions that enable them to pile up profits and capital at the expense of other people who are always in debt and have no security?

It was announced that the period between August 1962 and August 1963 would be a year of austerity for all Canada, and special personal income taxes were levied. During the period between August 1962 and August 1963, the market value of the shares of 740 companies or trusts increased from $44,740,-769,022 to $57,351,895,062, that is by almost $13 billion. For whom were the austerity measures meant? And companies are always complaining that their profits are too low, that they fear the future and that they need tax relief in order to survive. What about the private individual?

Do you know that, in 1962, the Canadian taxpayer paid $700 out of his income solely for the administration of the federal government, that is almost 44 per cent of the average salary?

Do you know that interest charges take between 16 and 17 cents out of each tax dollar, and they keep increasing. It is not surprising that Khrushchev claims that communism will one day overcome capitalism.

Do you know that federal and provincial taxes have increased by 3,000 per cent during the last 50 years?

It is unthinkable that a country as highly industrialized as ours, with a large and hard-working labour force with a sufficient number of technicians, experts and engineers, should find itself at the mercy of such an extent that it is virtually enslaved by financial and economical means.

We have no one to blame but ourselves, and our irresponsible governments. Our industries must increase their output, widen their fields of production in order to be in a position to employ all the available manpower and raise our standard of living.

Mr. Chairman, may I call it six o'clock?

[*Text*]

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

**Some hon. Members:** Agreed.

Clause 1 stands.

Progress reported.

## HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER DISPATCH OF BUSINESS—ANNOUNCEMENT OF PERSONNEL

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I think there was an understanding that I could have leave to revert to motions to make a motion to establish the membership of the committee on procedures and organization. If that is agreeable I would move the motion now.

**The Acting Speaker (Mr. Batten):** Is it agreed that the house shall revert to motions?

**Some hon. Members:** Agreed.

**Mr. Pickersgill:** I move, seconded by the hon. member for St. Boniface (Mr. Teillet):

That the special committee on procedures and organization of the House of Commons appointed October 23, 1963, be composed of Mr. Speaker and Messrs. Aiken, Chapdelaine, Choquette, Gregoire, Jewett (Miss), Knowles, Lambert, Lamoureux, MacEachen, Macquarrie, Martineau, Pickersgill, Walker, Woolliams.

Motion agreed to.

## BUSINESS OF THE HOUSE

**Mr. Nowlan:** I presume the order of business for tomorrow is that outlined by the house leader yesterday?

**Mr. Pickersgill:** Yes. Perhaps I should make provision for the contingency tomorrow evening. If, as I hope will be the case, we have disposed of the bill in committee by five o'clock we will take the estimates of northern affairs tomorrow evening. If, however, we go on as far as eight o'clock before we get into committee of supply, we would take the estimates of the Department of Fisheries and try to finish them. Of course, if we do not finish until 10.30 we will not be able to take the estimates of either department.

**Mr. Nowlan:** And you will go on with the bill on Friday?

**Mr. Pickersgill:** Yes, of course. If perchance this bill is not disposed of tomorrow we will go on with it on Friday.

It being three minutes after six o'clock the house adjourned, without question put.

28902-5—269

# HOUSE OF COMMONS

**Thursday, October 31, 1963**

The house met at 2.30 p.m.

## HOUSE OF COMMONS

### MR. SPEAKER—STATEMENT RESPECTING QUESTIONS ON ORDERS OF THE DAY

**Mr. Speaker:** May I ask the indulgence of the house in order to make a statement on a matter of urgent, general interest to the house.

It is now slightly more than five months since I was given the great honour by all hon. members of assuming the position of presiding officer in the Canadian House of Commons. When I undertook to be your servant I said that "it will be my duty to preserve the precious heritage of this historic chamber, to maintain decorum and order in debate and above all to exercise fairness and impartiality in protecting the rights of every individual member."

As might have been foreseen, the Chair has had its difficulties in attempting to carry out this effort, not because of any undue lack of co-operation by hon. members but because of the very nature of those self assigned functions in the circumstances in which we find ourselves.

There is one area of the work of the house which has caused me grave concern; it is that of oral questions on orders of the day. For that reason, as well as others, I listened with satisfaction to the debate last week leading to the establishment of a committee on procedure and reform with the wholehearted support of all groups in this house.

That committee will meet shortly and will, I have no doubt, conduct its deliberations with the single purpose in mind of improving the techniques and rules of our internal administration, so as to render the best possible service to parliament and to the country. It goes without saying, however, that while deliberations may be conducted and representations may be received, some time will elapse before any proposals can be made to the house from the committee.

The problem of the question period before the orders of the day is not a new one, and it has disturbed previous occupants of the chair as well as many members of the house, not only in the present parliament but in those which have gone before. As long ago as 1956 the then Speaker of the House of Commons was sufficiently concerned, to give a learned and valuable discourse on the rules to be followed on asking questions before the orders of the day. For those hon. members who are interested, as I think we should all be, I can do no better than refer to Mr. Speaker Beaudoin's observations as they are cited at page 2206 in the debates of the House of Commons of 1956.

I wish to state that having read Mr. Speaker Beaudoin's remarks on that occasion I am in complete agreement with them, both in substance and in form, and during the course of my own treatment of the problem I intend to incorporate some of the basic suggestions made by Mr. Speaker Beaudoin into my own remarks.

Mr. Beaudoin was followed in the chair by Hon. Roland Michener, who left behind him a reputation of impartiality and wisdom which has been a source of strength not only to me but I am sure to my hon. friend from Edmonton West, and I am equally sure, to Speakers who will follow us both.

For further study of the subject I can do no better than to refer hon. members to Mr. Speaker Michener's suggestions as found on page 1393 of the debates of the House of Commons of February 26, 1959.

Finally, as the most recent authority, if any were needed, I would direct the attention of hon. members to the very comprehensive statement on the matter by my predecessor, Mr. Speaker Lambert, the present member of this house for Edmonton West.

May I take the liberty of offering a synopsis of the principles stated on these occasions by these most learned and distinguished Speakers. They are as follows:

1. The form of questions is governed by the terms of standing order 39, section 1, providing in part that in putting a question no argument or opinion is to be offered nor any facts stated, except so far as might be necessary to explain the question. (Mr. Speaker Lambert, page 565, October 16, 1962.)

2. Questions should be offered only in connection with urgent and important matters of public concern when, because of immediacy, the regular procedure relating to questions cannot be utilized. (Mr. Speaker Lambert, page 565, October 16, 1962.)

3. An explanation can be sought regarding the intention of the government, but not an explanation of opinion upon matters of policy.

*Statement by Mr. Speaker on Questions*

(Mr. Speaker Michener, page 1393, February 26, 1959.)

4. Supplementary questions are matters of grace. (Mr. Speaker Michener, page 1393, February 26, 1959.)

5. A minister is entitled to notice, and answers cannot be insisted upon nor is it regular to comment on the refusal to answer oral questions. (Mr. Speaker Michener, page 1393, February 16, 1959.)

It may be opportune at this time to draw the attention of the house to citation 171 of the fourth edition of Beauchesne, from which I have extracted a number of the rules there set forth. The citation may be abbreviated in part as follows:

In putting a question a member must confine himself to the narrowest limits.

In making a question, observations which might lead to debate cannot be regarded as coming within the proper limits of a question.

The purpose of a question is to obtain information and not to supply it to the house.

A question, oral or written, must not:

—be trivial, vague or meaningless;

—multiply with slight variations, a similar question on the same point;

—repeat in substance a question already answered or to which an answer has been refused;

—inquire whether statements made in a newspaper are true;

—contain an expression of opinion;

—be hypothetical;

—be a speech, however short; . . . . nor be of unreasonable length;

—seek for purposes of argument, information on matters of past history;

—ask a solution of a legal proposition, such as the interpretation of a statute or of a minister's own powers, etc. . . ;

—refer to a debate or to answers to questions during the current session;

—embody a series of questions which should be moved as an address or order;

—anticipate an order of the day or other matters;

—raise a matter of policy too large to be dealt with in the limits of an answer to a question;

—refer to speeches made outside the house; but in the case of a cabinet minister, it is permissible to ask the Prime Minister whether such speech represents government policy;

—ask the government's opinion on matters of policy;

—seek information set forth in documents equally accessible to the questioner, as statutes, published reports, etc. . . . ;

—seek information about proceedings in a committee which has not yet made its report to the house;

—relate to matters which passed outside the walls of the house and do not relate to any bill or motion before the house.

We all recognize that the opposition has the right and, indeed, the duty to question the conduct of the government, and every effort should be made in the enforcement of our rules and in their implementation to safeguard that right.

The oral question period is, however, unknown to our rules, and that fact greatly increases the difficulties of the Chair. My authority for this statement is based on standing order 39, which provides only for questions to be placed on the order paper, and standing order 41 which requires 48 hours' notice. Beauchesne's fourth edition deals with this matter in citation 173.

A breakdown of the oral questions amongst parties and groups since September 30 to date shows the following totals: Liberal party, 23; Progressive Conservative party, 574; New Democratic party, 208 and the combined Social Credit party, 222. With the permission of the house, a detailed breakdown of those totals is herewith tabled. If I may have permission, I should like to table it. Agreed?

**Some hon. Members:** Agreed.

[*Editor's note: The table above referred to is as follows:*]

Questions asked on orders of the day being called (since house reconvened) for the period September 30 to October 30, 1963.

| Date 1963 | Lib. | P.C. | N.D.P. | S.C. |
|---|---|---|---|---|
| Sept. 30 | 2 | 55 | 7 | 10 |
| Oct. 1 | 1 | 42 | 10 | 20 |
| Oct. 2 | — | 24 | 11 | 20 |
| Oct. 3 | — | 37 | 7 | 14 |
| Oct. 4 | 2 | 30 | 6 | 15 |
| Oct. 7 | — | — | 11 | 8 |
| Oct. 8 | 2 | 36 | 10 | 11 |
| Oct. 9 | 1 | 11 | 2 | 11 |
| Oct. 10 | 1 | 57 | 14 | 15 |
| Oct. 11 | — | 6 | 4 | 5 |
| Oct. 14 | 1 | 21 | 14 | 9 |
| Oct. 15 | 3 | 15 | 9 | 6 |
| Oct. 16 | 2 | 17 | 5 | 9 |
| Oct. 17 | — | — | — | — |

[Mr. Speaker.]

*Statement by Mr. Speaker on Questions*

| Date 1963 | Lib. | P.C. | N.D.P. | | S.C. | |
|---|---|---|---|---|---|---|
| Oct. 18 | — | 45 | 15 | | 6 | |
| Oct. 21 | 1 | 25 | 9 | (165) | 6 | |
| | | | | S.C. | | S.C.R |
| Oct. 22 | — | 36 | 11 | 4 | | 4 |
| Oct. 23 | — | 15 | 3 | 1 | | 10 |
| Oct. 24 | 1 | 18 | 10 | 5 | | 7 |
| Oct. 25 | 5 | 28 | 12 | 2 | | 8 |
| Oct. 28 | 1 | 16 | 19 | — | | 5 |
| Oct. 29 | — | 26 | 8 | 2 | | 3 |
| Oct. 30 | — | 14 | 11 | (15) 1 (57) | (42) | 5 |
| Totals | 23 | 574 | 208 | 222 | | |

**Mr. Speaker:** In making these observations, I am fortified by statements made by the Prime Minister and the Leader of the Opposition of the present house during the course of the past year or so, and these statements have been very much in my mind since last Wednesday, October 23, when the most interesting debate on the setting up of the committee on procedure and reform took place.

As a private member I recall with great interest hearing the statement made by that most experienced parliamentarian, the present Leader of the Opposition, the right hon. gentleman who, when prime minister said—and it was referred to last week—as found on page 2011 of the House of Commons debates, November 26, 1962:

> As far as questions are concerned, it is not for me to suggest, but I think that the number of these questions could be greatly reduced; and if we were also to have a self-denying ordinance that, under ordinary circumstances, we would not go over half an hour on questions before orders of the day we would save 15 full days in an ordinary session without, as I see it, losing any ground that might be gained through questions or in any way interfering with the rights of the opposition.

That position was restated by the right hon. gentleman on Wednesday, October 23 last at page 3926, when he said:

> Provided the answers given by the government are not evasive, provided they place the facts before us, provided they do not hide and cover up, as was alleged today and last night, I would be inclined to believe that if, in addition to the regular questions on the order paper, we all agreed to the self-denying ordinance to which the Prime Minister made reference, oral questions could very well be limited considerably. To what extent would be a matter for determination and recommendation by the committee. In the United Kingdom the period is an hour and that covers written as well as oral questions.

During the same debate the present Prime Minister referred to his own remarks on the subject in 1962, and I quote him in that reference as found once again at page 3925 of the debates of October 23, 1963. He said:

> We have agreed to a reduction, if it is a reduction, to 30 minutes of the time spent on oral questions on orders of the day.

The leaders of the New Democratic party and the Social Credit party also spoke in that debate and referred to the need for an examination of the practices governing our question period, and the latter reminded us of the practice in New Zealand where a daily 30 minute limit on the question period is observed.

This leads me to a suggestion which I respectfully intend to make now to the house. It is a suggestion upon which hon. members may care to reflect between now and the opening of the house on Monday next. My proposal, which I shall put as concisely as possible, is as follows.

1. In placing questions, hon. members seeking information from ministers will be expected to adhere to the rules governing questions as enunciated by my predecessors and as set forth in the previously mentioned extracts from section 171 of the fourth edition of Beauchesne.

If these rules are not observed by hon. members posing their questions, I would immediately and without further discussion inform the hon. member that the question is out of order, and pass at once to the next question.

At the same time it should be remembered that ministers too have a responsibility not to abuse the question period. In that regard may I remind hon. ministers of paragraph I of citation 181, Beauchesne's fourth edition, which reads as follows:

> Questions must be answered briefly and distinctly, and be limited to the necessary explanations, though a certain latitude is permitted to ministers of the crown whenever they find it necessary to extend their remarks with the view of clearly explaining the matter in question.

2. No more than two supplementary questions, which must be genuine supplementary

questions and which, I remind hon. members, are matters of grace, might be asked. These supplementary questions might only be asked by the member who posed the original question, as is the case in the house of commons at Westminster.

3. I would take it upon myself to select questioners in rough ratio to the number of hon. members comprising any one body in the house.

4. No more than 30 minutes would be allowed to elapse from the time on the clock when the first question was asked.

5. Although points of order and questions of privilege would not be allowed with respect to any ruling during the question period, any member who felt himself seriously aggrieved might be permitted to raise a question of privilege about a decision of the chair at the close of the question period. Any such question of privilege would have to be concisely stated and disposed of promptly without appeal.

6. These proposals would be on a trial basis only and considered as experimental for the balance of the present session.

I invite hon. members now or next Monday, which might be better, after they have had a chance to consider these suggestions, to express their views.

If these suggestions meet with the general approval of the house, I propose that they be enforced as of next Monday for the balance of this session.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I am not going to discuss the direction you have given. As an officer of the house I naturally want to do everything I can to join with you in making the house effective. However, I note that you have engaged in a rather statistical outline and summary, and I feel that the full record should be available. I suggest that a similar record showing the questions asked by the several parties covering the period 1961 and 1962 would be beneficial.

As far as the general purpose is concerned I join with you in a desire to ensure that this house shall be effective and efficient, without denying to hon. members their full right to secure information from the government. I suggest that having available the necessary staff to prepare these statistics, which are very detailed, it would be of great interest to the house, and most helpful in view of your reference to previous speakers, Mr. Speaker Lambert and Mr. Speaker Michener, to see what the situation was during those years.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I am sure the house is grateful to Your Honour for giving such careful thought to this matter of questions on the orders of the day. There has been a great deal of press talk about the length of time which has been taken.

I think two points should be made. The first is that questions are important inasmuch as they are the one method by which members can quickly obtain a response from the government on some important matter. It is the duty of all members of the house, particularly of members who sit in the opposition groups, to question the government from time to time regarding its activities and statements of policy. This is not so true of members who support the government, and the figures show they have not been very active in this regard. That is understandable. On the other hand it is true, I think, that the question period has got out of hand, and many of the questions asked would be better placed on the order paper or left until departmental estimates are before the house.

As far as members of the New Democratic party are concerned, we are prepared to co-operate with Your Honour and with all groups in trying to cut down the question period. We would go so far as to be prepared to limit ourselves to three questions a day, and agree among ourselves who were to ask these questions. We would be prepared to agree to some self denying ordinance. One of the difficulties about setting a time limit is that if ministers insist on reading two and three page replies, the 30 minutes will expire very quickly. If they are evasive and two or three supplementary questions are necessary before we receive the answer we should have been given in the first place, time will again be wasted. But we are prepared to co-operate with Your Honour in any way you think the question period can be improved. If the 30 minutes rule does not work out satisfactorily we can try some other method, but we do wish to expedite the business of the house and we will co-operate with Your Honour in that regard.

**Mr. R. N. Thompson (Red Deer):** May I join with those who have already expressed their appreciation to Your Honour for having given us this helpful and detailed statement explaining again what this question period is supposed to be, and calling attention to the views of some of your predecessors on this subject. We are grateful for the suggestions you have made with a view to rendering the question period more profitable and efficient.

I am convinced that the question period is one of the most fruitful periods we spend in this house and that there should be no attempt to limit the privilege of obtaining information from ministers of the crown. But I do agree we must co-operate, all of us, in

making this period more effective and more efficient. I would have one suggestion to make to you, and it is this. When there are matters of urgent importance which may arise in a particular sitting, the questions which cannot be asked on one day might take precedent over those which might be asked on following days. There could be periods when the more legitimate questions might be dealt with.

I assure Your Honour of our co-operation in this matter. If it means limiting the number of questions we ask we shall be happy to go along with that proposal. If it means a self disciplining through co-operative arrangements among ourselves on a gentlemanly basis, we would be pleased to co-operate. We regard most highly the importance of your position in this house, Mr. Speaker, and at all times you can be assured of our support in the Social Credit party.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, we greatly appreciate the six-point suggestions you are making to the house today.

In my view, this period for oral questions could have been cut down substantially if ministers had taken less time on many occasions to answer questions. Then, each member of the house would have received a swift reply to his query.

Members of the Ralliement Creditistes are certainly happy to offer you their full co-operation.

However, we were both scared and reassured by item 3 of your suggestions, in which you said:

[*Text*]

I would take it upon myself to select questioners in rough ratio to the number of hon. members comprising any one body in the house.

[*Translation*]

We have confidence in your fair-minded judgment, Mr. Speaker, and I think we can rest assured that although we are sitting far from you in the house, you will recognize us when we have reasonable questions to address to the various ministers of the crown.

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, questions, of course, are of particular concern, and rightly so, to the opposition. I think all members on this side have heard with satisfaction the statements that have been made by the Leader of the Opposition and the leaders of the other opposition parties in respect of the proposal you have put to us. We would like to join them, Mr. Speaker, in expressing appreciation to you for the consideration you have given this matter.

*Statement on Paving of Alaska Highway*

At first reading it looks as if the proposals you have made are constructive and will facilitate and make more effective the question period. The Leader of the Opposition has suggested that the statistics might be extended to cover last year and the year before. I think that is quite a reasonable suggestion for those who are interested in statistics.

**Mr. Diefenbaker:** The Minister of Agriculture does not belong to that group.

**Mr. Pearson:** I might say it is desirable, as your memorandum suggests, to make the questions short and the answers short. I am sure it is the experience of the house that if questions are asked in the correct way, without unnecessary or controversial verbiage, then the answer is more likely to be short. I mention this just to show that there is a responsibility on both sides of the house in respect of making the question period effective. I am sure all members on both sides of the house will do what they can to make it effective. I think your proposals, sir, are helpful, and to that end they will certainly receive the support of the house.

## NORTHERN AFFAIRS

PAVING OF ALASKA HIGHWAY—STATEMENT BY EXTERNAL AFFAIRS MINISTER

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I should like to deal with a question which the hon. member for Yukon raised the other day. On October 29 the hon. member for Yukon suggested that I might not have given full information to the house in the answer I gave to him on October 21 in reply to his question No. 1,235.

In the reply quoted by the hon. member I indicated that of the five subjects about which he inquired, only the question of the Haines cut-off highway had recently been discussed with the United States authorities. On October 29 the hon. member implied that in indicating that none of the other four subjects had been discussed with the United States, my information was not accurate. My answer was in fact an accurate statement, and I tell the hon. gentleman it was intended to be helpful to him.

The hon. member will recall that in his question he referred to "consultations". I used the words "negotiations" and "discussions" instead of the word "consultations", because the former terms seemed to me more precise. I also qualified my reply by using the word "recent", as I assumed that the hon. member was interested in fairly current developments and not in history.

*Statement on Paving of Alaska Highway*

In the course of his remarks the hon. member read from a letter written to someone by the officer in charge of Canadian affairs in the department of state, Washington. The hon. member did not table the letter from which he read, and I am therefore at somewhat of a disadvantage in fully commenting upon it. According to the part which he did read, this letter mentioned that, and I quote: "Discussions have also been held in the past with officials of the Canadian government", concerning the question of paving the Canadian portion of the Alaska highway. Now I really do not understand this vague reference, but it may refer to some conversations which I understand took place as long ago as 1959 under the previous administration. In any case, as my original reply made clear, neither I nor any of the officials of my department, nor any of the officials of other departments whom we have consulted, have any knowledge of recent conversations of this type.

My hon. friend also quoted from another section of this letter a reference which is factually correct and which is not at all inconsistent with what I said. Not long ago officials of the United States embassy inquired from officials of my department whether a reported statement made by the Minister of Northern Affairs and National Resources was a new governmental decision in regard to paving the Alaska highway. My officials, on the basis of information supplied to them by the department of northern affairs, answered this inquiry from members of the United States embassy in the negative. I do not consider that a negative response to an inquiry as to whether there has been a change of policy can be termed "discussions", "negotiations" or "consultations" in any normal usage of these words. My answer to question No. 1,235 on October 21 was correct in all respects, with one exception, namely that in the last sentence I inadvertently referred to page 3165 of *Hansard* when I should have referred to page 3156.

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, I think I should reply very briefly to the minister. This differentiation which he makes between the words "consultations", "negotiations" and "discussions" is an exercise in semantics, a trait for which my hon. friend is noted.

**Mr. Martin (Essex East):** Mr. Speaker, I took no exception to what my hon. friend said, and I do not take exception now. However, I have sought to give him a forthright answer today, and I should have thought he would reply in kind.

**Mr. Nielsen:** Mr. Speaker—

**An hon. Member:** Sit down.

[Mr. Martin (Essex East).]

**Mr. Nielsen:** I do not think I will sit down, Mr. Speaker. I think I am entitled to reply without commands from the government side to sit down.

**Mr. Speaker:** Order. I do not wish to interrupt the hon. member because it is a basic question of privilege, and it is in the interest of everyone to clear it up. However, it would be helpful if the hon. member would say that he either accepts the statement or he does not, because I do not think this is the time to debate it.

**Mr. Nielsen:** I have no intention of debating it. If members on the government side would not shout across at me to sit down I might be given an opportunity to answer the minister.

The explanation given by the minister today did not deal with that portion of the letter from the officer in charge of Canadian affairs, department of state, Washington, which I read into the record on October 29, as follows:

> Following a recent report of an alleged renewed interest on the part of the Canadian Minister of Northern Affairs and National resources, Arthur Laing, the department requested the embassy in Ottawa to seek clarification from responsible Canadian officials. Upon inquiry the embassy learned that the story was apparently based on a passing comment to a reporter and was not an official statement.

Then followed this portion of the letter which I read into the record:

> The embassy has been informed that this statement reflects the official position of the Canadian government.

This is what the Canadian embassy informed the officials in Washington, according to this portion of the letter which I read into the record. This indicates to me that discussions have been held between the United States officials and the Canadian government, or consultations have been had, whichever word the minister chooses to use. His answer to my question No. 1235 indicated that there were no discussions and no consultations held whatever.

I am quite prepared to accept the minister's explanation, if that is what he wishes the house to believe, but I would implore him to look into that question and perhaps give me a more detailed answer—

**Mr. Martin (Essex East):** I have answered completely.

**Mr. Nielsen:** —otherwise, as was mentioned in your statement today, Mr. Speaker, members who do not get complete answers are going to have to place questions on the order paper over and over again. This is one of the reasons there are so many questions

on the order paper. We do not get the information we request and we have to ask the question again.

**Mr. Martin (Essex East):** I do not want to debate the matter, but may I ask the hon. gentleman to table the letter?

**Mr. Nielsen:** I have no objection to tabling the letter. The document I have is a copy of—

**Some hon. Members:** Oh, oh.

**Mr. Nielsen:** —a letter written by an officer in charge of Canadian affairs at Washington.

**Mr. Speaker:** Order. This is certainly not the time to indulge in a lengthy debate over a question of privilege, upon which I assume the minister rose. It seems to me this is a rather useless type of debate at this time, and I suggest we stop right now and get on with the business of the house.

**Mr. Nielsen:** The minister has asked me to table the letter. I have said I have no objection to tabling the letter, but in view of the decisions which have been made by Your Honour, and the objections which have been taken by hon. members and ministers on the other side in respect of tabling a certain document, particularly one produced by the hon. member for Grey-Bruce, I am rather surprised at this request. However, I have no objection.

[*Later:*]

**Mr. Nielsen:** Mr. Speaker, has it been considered that the letter which I produced has been tabled? If not, with unanimous consent and at the request of the minister I would ask that the letter be tabled.

**Mr. Speaker:** Does the house give unanimous consent to the tabling of this copy of a letter, as I understand it?

**Some hon. Members:** Agreed.

[*Later:*]

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, I have a question for the Secretary of State for External Affairs. Now that he has had an opportunity to read the letter which has been tabled he will notice that the officer in charge of Canadian affairs in the United States state department said on the second page of the letter that the contents thereof reflected official Canadian policy. Can the minister say whether Mr. Carlson is correct in that regard?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I have already dealt with this point, and I believe my answers today and on other days clearly indicate that the Canadian government declares policy, not an official in the foreign office of another country.

## PRIVILEGE

### MR. GREGOIRE—OFFICE ACCOMMODATION OF OPPOSITION GROUP LEADERS

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to rise on a question of privilege which affects the privileges of the members of our party in this corner of the house.

We found out, after inquiry, that two of the three leaders of political parties recognized by courtesy of the house as opposition parties, in other words, the three minor parties, have each a suite of three offices in parliament.

Since the hon. member for Villeneuve (Mr. Caouette) is the leader of a political party in the house and still has only one office, I feel, Mr. Speaker,—

[*Text*]

**Mr. Speaker:** Order. It is of course my duty to determine whether there is a prima facie case of privilege and I have not the slightest hesitation in saying there is no privilege in the question raised by the hon. member. He has discussed this several times with me. This is a question of administration, and if there are not sufficient offices to distribute, I do not know what anyone can expect the Speaker to do unless he vacates his own.

This is purely a question of administration. The hon. member knows this, having discussed it with me, having sent me letters to this effect, and he also knows we are doing our utmost to correct any inequalities and make sure the different leaders of the different groups, if I may use that term, are treated impartially, fairly and on the same basis.

## AGRICULTURE

### REFERENCE OF CERTAIN REPORTS TO STANDING COMMITTEE

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, in compliance with the request by the hon. member for Medicine Hat (Mr. Olson), the hon. member for Burnaby-Coquitlam (Mr. Douglas) and one or two other hon. members opposite, a request which I took to the government this morning, I would be prepared now if I had unanimous consent to move, seconded by Mr. Hays:

That the following reports, namely, 1, the report of the Department of Agriculture for Canada for the year ended March 31, 1963; 2, report of the agricultural stabilization board for the year ended March 31, 1963; 3, report for 1962 of the board of grain commissioners for Canada; 4, report of the Canadian wheat board for the crop year ended

July 31, 1962; and 5, the supplementary report of the Canadian wheat board for 1961-62 pool accounts for wheat, be referred to the standing committee on agriculture and colonization.

I might say if this is done it seems to me it would enable the committee to discuss all the matters that have been raised by hon. gentlemen opposite, and I am informed that it is not necessary, because the committee has already been given power to report to the house, to do more than make the reference.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, could the Secretary of State be asked to include also the annual report we have just received from the Minister of Finance concerning the Farm Improvement Loans Act?

[*Text*]

**Mr. Pickersgill:** I will be glad to take that under consideration, and it could be referred in another motion later.

**Mr. Speaker:** Is it the pleasure of the house to adopt the said motion?

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I agree with the Secretary of State that these reports should certainly be sent to the committee on agriculture and colonization, but I doubt very much whether his other statement, that this will cover the items we had in mind, is quite valid. However, I think we should start with an investigation and examination of these reports, and then I hope the government will give serious consideration to the other matters, one of which is to look into bread and milling prices, which is a very important question at this time and which will not come under these reports.

Second, there is the matter which the Minister of Agriculture himself has raised from time to time, namely the cost of farm machinery, a study which the committee on agriculture and colonization began in 1961 and I do not think was ever completed. This would be an excellent study for the committee to carry on at a later date, but the reports which the minister has now proposed referring to the committee are a good beginning. As I have said, I hope the government will consider referring the other two matters to the committee at a later date.

**Mr. H. A. Olson (Medicine Hat):** Just very briefly, Mr. Speaker, I want to say I accept the statement of the Secretary of State that within the ambit of all the things referred to the committee it is possible to study the specific subject matter I brought up and asked for unanimous consent the other day. But in accepting this I suggest to Your Honour and to the Secretary of State that the matter of feed grain prices should be given some precedence because of the urgency of the need to look into it. Perhaps the house may take some decision to do something about this wide discrepancy in price, but with that reservation I am suggesting that this can be investigated within the terms of the motion made.

Motion agreed to.

## EXTERNAL AFFAIRS

CUBA—REPORTED ARREST OF CANADIAN CITIZENS

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, regarding the two Canadians in custody in Cuba, would the Secretary of State for External Affairs inform the house whether the Canadian embassy has been able to communicate with them, and what efforts have been made so far by the government of Canada to assure that these men will receive a fair trial and not a mockery of a trial?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Canadian embassy in Havana is in close communication with the Department of External Affairs in Ottawa concerning the recent arrest in Cuba of two Canadian citizens whose names have been given in public and which I need not repeat. The circumstances and background concerning the arrest of these persons are not fully known but are being looked into carefully. The Canadian embassy in Havana is taking all steps appropriate under international practice to ensure that the interests of the two Canadian citizens are adequately safeguarded.

**Mr. Diefenbaker:** Can the minister state whether the government in Cuba has permitted representatives of the embassy to see these men personally?

**Mr. Martin (Essex East):** Yes, Mr. Speaker.

[*Later:*]

**Mr. Martin (Essex East):** I wonder if the right hon. gentleman would allow me to qualify the answer I just gave. I believe that is the situation, but a message has just come in saying permission has been asked by the consul for an immediate visit with the Canadian prisoners, and it is agreed by the Cuban government that arrangements should be made for this. We have further asked that we be kept fully informed of any judicial proceedings against the two parties.

## SHIPPING

INQUIRY AS TO AMENDMENT OF LEGISLATION

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I would like to ask the Minister of Transport whether he is preparing amendments to the Canada Shipping Act and the St. Lawrence Seaway Act in accordance with the recommendations of Mr. Justice Norris and, if so, when does he expect to bring these amendments before the house?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, legislation on both these subjects will be brought before the house. It is being prepared, but at the moment I am not prepared to disclose its contents in answer to questions on orders of the day.

## COMMONWEALTH RELATIONS

SOUTH AFRICA—CONTINUATION OF TRADE PREFERENCES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the right hon. Prime Minister. In view of the fact that the republic of South Africa has left the commonwealth and is pursuing policies which are at variance with everything the commonwealth stands for, is the government giving any thought to discontinuing the commonwealth preferences which we now extend to that country?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, no immediate consideration is being given to that matter. It has been under consideration in the past, but if there has been any change in the situation in recent weeks or months I will be glad to let my hon. friend know.

**Mr. Speaker:** The hon. member for Red Deer.

**Mr. R. N. Thompson (Red Deer):** My question has been answered, Mr. Speaker.

## TRANS-CANADA AIR LINES

RECOMMENDATION RESPECTING PURCHASE OF NEW PLANES

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I have a very short question for the Minister of Transport, and he can give the information required in a very few words. Has the board of directors of Trans-Canada Air Lines made a recommendation to the government as to what new jet plane T.C.A. should purchase, and which of the three planes concerned has been so recommended?

**Hon. G. J. McIlraith (Minister of Transport):** Yes, Mr. Speaker, they have made a report to the government.

**Mr. Knowles:** What about the second part of the question; which of the three planes has been so recommended?

**Mr. McIlraith:** I am not prepared to answer that question at the moment.

## POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

**Mr. G. W. Baldwin (Peace River):** Mr. Speaker, I have a question for the Minister of Public Works, notice of which I sent to him. I should say that as a result of the caveat which Your Honour has just laid before us I have changed the form of the question somewhat. What action, if any, does the government propose to take in respect of the continuing failure of the British Columbia government or the agency of that government engaged in the construction of the Peace river dam to file an application for approval under the Navigable Waters Protection Act?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, the notice just reached me in the house a few minutes ago, and I am not in a position to answer the question today. I will take it as notice, and within the next few days I shall give the information desired.

## AGRICULTURE

WHEAT—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

**Mr. J. H. Horner (Acadia):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can he now inform the house whether it is true that he is now prepared to accept the policy of the former minister of agriculture with regard to the growing of wheat in western Canada, namely that farmers can grow all they are able to grow?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, when I make my statements I make them about this government's policy. I do not have any reference to the past.

**Mr. Horner (Acadia):** A supplementary question. Can the minister clarify the issue, then, with regard to whether the farmers should grow all the wheat they can?

*Inquiries of the Ministry*

**Mr. Sharp:** Mr. Speaker, I said in answer to a question the other day that I hoped before seeding time the government would give a clear explanation of the marketing outlook affecting all grains, on the basis of which farmers could make their plans.

SPREAD BETWEEN PRICES PAID AND RECEIVED IN CANADA

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, my question is directed to the Minister of Agriculture and relates to a question asked last week. With regard to the price paid to western farmers and the price paid by eastern farmers for grain, will the minister tell the house who causes such an increase between the selling and purchasing prices? Has he found that out yet, and would he tell the house what his findings are?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I believe this question is going to be discussed by the standing committee on agriculture and colonization.

## GRAIN

INQUIRY AS TO FREEZING OF DELIVERY QUOTAS

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Minister of Trade and Commerce. In view of the wide disparity in grain delivery quotas in the west, has the minister given instructions to freeze delivery quotas at three bushels so that those points on the initial quota can catch up to the two and three bushel delivery quotas before proceeding with a four and five bushel open quota?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** No, Mr. Speaker, I have not given any such instructions. I am sure it is in the interests of all western farmers that as much grain as possible should move through our ports this year, and I have given every freedom to the Canadian wheat board to do that in a way that is satisfactory to the western farmers and that will accomplish the objectives they have before them.

**Mr. Korchinski:** A supplementary question. How can the minister suggest, for example, that points on the initial quota are receiving fair treatment? How does he expect to equalize deliveries? Some points on the initial delivery quota are only ten miles away from points where there is a three bushel quota. Where is there any parity there?

**Mr. Sharp:** I have complete confidence that the wheat board is trying to do everything possible to expedite the movement of wheat and to achieve as much equality as can be achieved with that limitation upon them, and I really do not think it would be in my interests or in the interests of the western farmers to instruct them otherwise.

[Mr. Horner (Acadia).]

## NATIONAL DEFENCE

POINT EDWARD NAVAL BASE—INQUIRY AS TO EXPANSION

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, may I direct a question to the Minister of National Defence. Now that the minister has allayed the fears of the people of Prince Edward Island by making a statement in the house regarding the future of the R.C.A.F. base at Summerside, for which I commend him, will he now assure the people of Cape Breton island that the plans for expansion at the Point Edward naval base will now be carried out and that the activities of the base will not be diminished in any way, thus eliminating fears that have arisen in this regard?

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I am not aware of any plans for expansion, but I think this is the type of question which might wait until our estimates are before the house.

**Mr. Muir (Cape Breton North and Victoria):** On a question of privilege, with all due respect to you, sir, this is a most urgent and important question to the people of Cape Breton island, who are in fear of the curtailment of activity at this base which will affect the livelihood of many people there. Certainly I do not think the matter should be sloughed off in this manner.

## CANADIAN FLAG

INQUIRY AS TO ORDER IN COUNCIL DESIGNATING RED ENSIGN

On the orders of the day:

**Mr. George Muir (Lisgar):** Mr. Speaker, I should like do direct a question to the Prime Minister arising out of an answer he gave to the hon. member for Chapleau in the house yesterday, when he assured the hon. member that a truly Canadian flag would be flown on the occasion of the 1967 world fair in Montreal. Would the Prime Minister inform the house and the country if it is the government's intention to rescind the order in council designating the red ensign as an appropriate flag for Canada?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I have nothing to add to what I said on this matter yesterday and previously.

*Inquiries of the Ministry*

## FINANCE

REGULATIONS RESPECTING SALES TAX INCREASES

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I should like to direct a question to the Minister of Finance. Has the minister published or given wide publicity to the regulations respecting the application of the sales tax increments during the various stages, as he promised to do earlier this session? This matter is becoming urgent, as construction tenders now being called will be affected by the future application of these regulations.

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I thank the hon. member for sending me notice of this question which, strictly speaking, falls within the purview of the Minister of National Revenue. However, I am pleased to advise him that the Department of National Revenue has given wide distribution to the amendments to the Excise Tax Act, explanatory bulletins and circulars. These have been distributed to known or potential licences, to interested associations and to individuals concerned, and have been advertised and made available in all customs and excise ports, district excise tax audit and excise tax collection offices throughout Canada.

SUGGESTED REDUCTION IN TAX ON CHILDREN'S CLOTHING

On the orders of the day:

[*Translation*]

**Mr. L. P. Antoine Belanger (Charlevoix):** Mr. Speaker, may I direct a question to the Minister of Finance? Could the minister tell the house whether he is considering the advisability of abolishing the 11 per cent tax on children's clothes?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** No, Mr. Speaker; not at the present time.

## ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—SIGNING OF PETITION BY AGRICULTURE MINISTER

On the orders of the day:

**Mr. Lawrence E. Kindt (Macleod):** Mr. Speaker, I have a question for the Minister of Agriculture concerning the Penhold air base. Did the minister sign a petition that Penhold be not set aside as or made a jet training base?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I did not sign any petitions.

## UNEMPLOYMENT INSURANCE

KITIMAT, B.C.—CLOSING OF OFFICES

On the orders of the day:

**Mr. Frank Howard (Skeena):** Mr. Speaker, I should like to direct a question to the Minister of Labour. Inasmuch as today was to have been the deadline for the closing of the unemployment insurance and national employment service offices in Kitimat, B.C., has any extension been made of that deadline, or does the government intend to proceed as was originally declared?

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, the unemployment insurance commission have given no indication that they have reversed their decision to close this office, for reasons which have been explained.

## LABOUR RELATIONS

NORRIS COMMISSION—ANNOUNCEMENT OF CHARGE LAID AGAINST HAL BANKS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I should like to direct a question to the Minister of Justice. Has he anything to report to the house with regard to the report of the special counsel retained by him to look into the Norris commission evidence, and is he now prepared to take the house into his confidence with regard to whether the report of counsel states that there is evidence justifying the laying of charges?

**Hon. Lionel Chevrier (Minister of Justice):** Yes, Mr. Speaker, I have an answer to the hon. gentleman's question. Upon the advice of special counsel appointed to consider the evidence in connection with the Norris report, a charge has been laid against Hal Banks in Montreal for conspiring to commit an assault occasioning bodily harm upon Captain Walsh. Mr. Jean Martineau, Q.C., special counsel, will prosecute.

Counsel are considering other charges against the president and certain other officers of the S.I.U. arising out of the Norris report and the recent illegal strike. The charge already laid against Mr. Banks and referred to above will be pressed forward in conjunction with these other charges when counsel have come to a conclusion in regard to them and the necessary preparations have been completed.

[*Later:*]

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, with respect to the laying of the charge against Mr. Banks, what is the date of the alleged conspiracy

respecting the assault occasioning bodily harm? Was that alleged assault committed before or after the Norris report?

**Mr. Chevrier:** The alleged date is some time in 1957.

**Mr. Diefenbaker:** Has this not been outlawed by effluxion of time? Why not a more recent charge?

**Mr. Chevrier:** The two special counsel who were appointed were to deal with the Norris report; and the offences under the Norris report, as they were reported to me by the special counsel, dealt in particular with two offences, one of them committed in August 1957 and the other in 1960. My statement dealt in part with that and in part with other offences.

**Hon. Leon Balcer (Three Rivers):** I wonder if the minister can tell us whether there will be a prosecution following the beating up of an elderly couple in my own riding of Three Rivers last year.

**Mr. Chevrier:** As the hon. member knows, the two counsel who have been appointed are to deal with all the offences, and the matter is under investigation by them.

## UNITED NATIONS

CANADIAN ABSTENTION IN VOTE ON RACIAL DISCRIMINATION

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** Mr. Speaker, my question is for the Secretary of State for External Affairs and concerns the Canadian delegation to the United Nations general assembly. Can the minister advise if our delegation abstained on the third committee resolution against racial discrimination, and the reasons for our abstention?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, we did abstain in the committee on this resolution because of certain clauses in the resolution which involved matters that are not within the jurisdiction of this parliament.

## FLOUR

REQUEST FOR INQUIRY INTO PRICE INCREASES

On the orders of the day:

**Mr. E. Nasserden (Rosthern):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Would he be able to inquire into the reasons for the recent substantial increases in the price of flour and report to the house in that regard?

## OLD AGE SECURITY

REPORTED TAKING OF PENSION INCREASE BY HOMES FOR AGED

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 reports of homes for the aged in Ontario and in Manitoba taking most or all of the $10 pension increase recently provided by parliament in higher rents, will the government see what can be done to protect our old age pensioners against this practice?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** As my hon. friend knows, the federal government in bringing about the increase in the old age pension had hoped it would be passed to the pensioners to alleviate some of their need. It has been disturbing to notice in the last couple of days that in various provinces this amount is not being passed to the pensioners. While this decision appears to lie within provincial jurisdiction, my hon. friend may be assured that whatever can be done will be done by the federal government to encourage the passing on of this money to the pensioners.

**Mr Knowles:** A supplementary question, Mr. Speaker. Will the minister ascertain whether any of these homes are homes which have been built with financial aid from federal sources?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I wonder if the hon. gentleman would permit me to reply to that particular aspect of his question.

**Mr. Knowles:** Delighted.

**Mr. Garland:** I noticed this item in the newspaper today, and I rather suspected there would be inquiries. I am happy to tell my hon. friend that the Fairview project is a senior citizens' home and is not one in which Central Mortgage and Housing Corporation of the federal government is involved financially or otherwise. As the house is aware, we have taken steps to see that no increases are to be brought into effect for elderly citizens as a result of the increased pension in any housing projects over which C.M.H.C. has control of the rents. This refers to limited dividend projects and to public housing projects in which there are elderly citizens.

## POST OFFICE DEPARTMENT

BELLEVILLE, ONT.—STATEMENT ON CHANGE IN LOCATION OF POST OFFICE

On the orders of the day:

**Hon. Azellus Denis (Postmaster General):** In reply to a question asked yesterday by the hon. member for Hastings-Frontenac about the postmastership at Belleville, I wish to inform the house that charges were made to effect that the postmaster at Belleville, John A. Ireland, had engaged actively in politics contrary to section 61 of the Civil Service Act. The postmaster admitted the charges in a sworn declaration, which reads in part as follows:

I, John Alexander Ireland, do solemnly declare that in the political campaigns of 1957, 1958, 1962 and 1963, I acted as campaign manager for Mr. Lee Grills. I have acted as postmaster Belleville sub office No. 5 since 1960—

Mr. Grills is the former Conservative member of parliament for Hastings South. He was elected in 1957, re-elected in 1958 and 1962 and was the defeated Conservative candidate in 1963. Mr. Ireland's dismissal was approved on October 15 last.

**Mr. R. A. Webb (Hastings-Frontenac):** Mr. Speaker, I wish to thank the Postmaster General for that information, but that was not the complaint. While I am on my feet I should like to ask the Postmaster General did he or did he not have representation made to him by Mr. Royce Frith, who I believe is past president of the Ontario Liberal association, on behalf of Mrs. Clare Stewart of Enterprise, Ontario?

**Mr. Denis:** Mr. Speaker, I am not aware of that, but I would not wish to prevent anyone from making representations or applying for the position.

## BROADCASTING

INQUIRY AS TO REAPPOINTMENTS TO BOARD OF GOVERNORS

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I should like to ask a non-controversial type of question of the Secretary of State. I should like to ask him whether he has informed any of the many members of the board of broadcast governors whose appointments expire in the next few days that they will not be reappointed?

**Hon. J. W. Pickersgill (Secretary of State):** No, sir, I do not think that is any part of my duty. When the government has made up its mind to recommend appointments, those persons will be appointed in the usual way.

*Income Tax Act*

**Mr. Fisher:** A supplementary question. In view of the minister's own expression about the broadcasting industry requiring a period of stability, has he given any consideration to taking this step in order to help settle the confusion which might follow from a complete replacement of the board?

**Mr. Pickersgill:** There is no possibility of a complete replacement of the board, as the hon. gentleman, who is a very well informed member of the house, must know.

## LABOUR CONDITIONS

QUEBEC—REQUEST FOR COMMISSION TO STUDY UNEMPLOYMENT

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 Labour. Considering the increase of unemployment in Canada and especially in the province of Quebec, does the government intend to establish a commission of experts which would carry out an investigation on seasonal unemployment as was done by the Quebec government?

[*Text*]

**Mr. Speaker:** This is surely a question for the order paper.

## INCOME TAX ACT

The house resumed, from Wednesday, October 30, consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 1.

[*Translation*]

**Mr. Latulippe:** Concerning Bill C-95, I was telling the Minister of Finance (Mr. Gordon) yesterday that we were happy about the fact that he has decided to provide tax incentives for the new industries which will be set up in areas designated as depressed areas.

However, I should like to draw his attention on the situation of the small industries which can barely survive at present and which also need tax exemptions to expand. In my opinion, it would be easier to help existing small industries than to establish new ones. If those small industries had the opportunity to increase their capital in order to expand, the local economy would have a chance to improve. Such a move would benefit the whole Canadian economy.

But with all the taxes they have to pay nowadays, it is not easy for our industries to cope with the situation. We are taxed at 52 per cent of the cost value and we

are on the threshold of an economical and political disaster. Taxes are a direct cause of the lack of enthusiasm on the part of our investors who tie up close to $7 billion in the banks. It is not a paying proposition to go into business and venture one's future, to work to support unproductive bureaucrats who increase in an alarming manner from year to year.

How can you explain the national debt, which is close to $40 billion, in a country where you have close to one million unemployed people? How can you explain that a country such as ours cannot finance a population of 19 million when France, Germany and Italy, with a much smaller territory devastated by wars, can support over 50 million people with no unemployment and even have to go to less industrialized countries to get manpower?

The answer is simple. Canada is controlled by international finance and crushed under economic slavery. The application of Social Credit techniques would put an end to that situation for the good of everybody. The national debt, now close to $40 billion, should completely disappear forever within ten years if we used the Bank of Canada.

The monetary policy advocated by the Social Credit would change completely the economic aspect of this country. There would be more activity in the field of public works, our industrial processes would improve, the development of our natural resources and their processing into finished products inside Canada would know a new expansion. We would overcome all difficulties in such an economic advance. We would build an economy able to go ahead not only in wartime, but especially in peacetime.

We cannot think any more in terms of old rusted traditions; we must use our imagination to improve constantly economic, industrial and financial techniques for the liberation of man.

We should be in a position to give back to the provinces their taxation share so that they can administer public affairs according to the rights acquired when they entered confederation.

The lack of realism shown by the present government is such that the extremist elements find a fertile soil to talk of independentism. Why? Because the province of Quebec is the last to recover economically.

Here we have a large work force but we are short of capital and processing industries; the unfairness resulting from the present system is obvious to the French Canadian people and gives them an inferiority complex. They feel swamped and dispossessed of their wealth in their own stronghold.

[Mr. Latulippe.]

With the monetary theory advocated by our group, which would put credit in the hands of the consumers, with the large work force and the wealth of Quebec, our province would experience a period of material and cultural prosperity.

But we know that democracy has to struggle to survive, and to conquer it must prove its superiority, protect its rights and help the peoples get rid of tyranny, whatever it may be.

We must feel the evils that the masses endure, talk to them from the bottom of our heart, the minds must be captivated by our minds; coming from the people, we know their aspirations. We must talk to them about their hopes, which are ours.

We must bring harmony and natural understanding between all segments of the nation by securing a decent standard of living for everyone.

Nobody, in Canada, can understand how in an affluent society poverty can exist. Problems and political solutions appear insurmountable; the reins of government are not in the hands of the people but in those of a few professional politicians.

The great complexity of taxes artificially complicated must be simplified in order that the masses may understand them and follow us.

If the people give us the power to solve their problems and regulate their finances, we must do so in the most simple, the most straightforward, the most Christian way, with good sense, tact and moderation, for one purpose: to serve with equity and fairness the most important being on earth, man, and also the most important of Canada, the citizen of this great country of ours.

The last point I want to draw to the attention of the committee, Mr. Chairman, relates to the startling number of bankruptcies and to the extreme losses suffered by our industrialists in the province of Quebec and throughout Canada. Of course, the owners of small businesses were the most severely affected.

In the province of Quebec, for the year 1962 alone, 1,099 bankruptcies were filed in non-summary proceedings. The debtors' estimates totalled $32,159,365 on the credit side, and $69,989,460 on the debit side. The number of closed bankruptcies was 543, with apparent losses of $15,695,662.

During the same year, 1,261 bankruptcies were filed in summary proceedings the debtors' estimates totalled $1,549,215 on the credit side, $10,749,735 on the debit side. The number of closed bankruptcies was 915, with apparent losses of $5,779,801.

In the whole of Canada for the year 1962, the apparent losses amounted to $37,102,192 as regards non-summary proceedings in the case of 1,126 closed brankruptcies out of a reported number of 1,946. As to the bankruptcies of the summary proceedings variety, 1,646 were closed out of 2,351, with apparent losses of $13,764,469.

In themselves, these very dry and impersonal statistics prove however that nearly half of those bankruptcies and losses happen in the province of Quebec.

The situation has become unbearable for the industrialists, big and small, as well as for the financial backers and the big financiers who control the life and development of those industries. That is why it is urgent to do something, to bring forward legislation which will at least guarantee a minimum of security, especially to owners of small industries.

Therefore, I move, seconded by the hon. member for Chapleau:

**That the house recommend to the Minister of Finance that he take into serious consideration the need to grant all taxpayers a 10 per cent exemption for all charitable donations on the first $1,000 of income and a 7½ per cent exemption on each additional amount of $1,000 of income, without having to submit charitable donation receipts.**

[*Text*]

**Mr. Douglas:** Surely, Mr. Chairman, you are going to give some ruling upon whether it is possible to move an amendment such as this to clause 1 of the bill. On its face it is transparently out of order.

**The Chairman:** This is possibly the type of amendment which might be moved on another occasion. I respectfully submit it cannot be moved at this time. I should like to cite standing order 59(2) which reads as follows:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Certainly the proposal now made by this amendment goes away beyond the terms of clause 1, which is before the committee. I suggest, too, that this is a substantive motion covering a new proposal, and for these reasons I submit that the proposed amendment is out of order.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, could I say a few words about your ruling?

**The Chairman:** Naturally I should have liked it better if the comments had been made before I gave my ruling. I was hoping that hon. members would get on their feet to express their point of view or make comments on the admissibility of the amendment. However, I should not want to restrict in any way the discussion on the amendment and if the hon. member for Lapointe has some remarks to make, even at this stage, I would not interrupt him. I must point out though that it might have been better if he had spoken before the Chair made its ruling. However, as I say, I have no objection to the hon. member for Lapointe making comments at this time.

[*Text*]

**Mr. Pickersgill:** I hope, sir, you will allow the hon. member for Lapointe to say a word on this matter.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, the hon. member for Compton-Frontenac was supposed to speak on second reading, and, at the request of the Secretary of State, we interrupted our speeches at that stage to resume them when discussing clause 1 of Bill C-95. Inevitably, there would have been more latitude to present such a motion on second reading. After all, this motion is only a request to the Minister of Finance to take the question into consideration now.

The Secretary of State said that during debate on the first clause of the bill—which is presently before us—he would grant the hon. member for Compton-Frontenac all the required latitude, and that is why the amendment is presented today.

Now, Mr. Chairman, I am of the opinion that this may come within section 59(2), since we are precisely studying amendments to the Income Tax Act. Now, the amendment moved by the hon. member for Compton-Frontenac suggests a change to be made in the Income Tax Act. Consequently, the proposed amendment refers purely and simply to what we are now discussing, and that is why we maintain that the amendment is in order.

**Mr. Gordon:** I should like to say very briefly that a number of hon. members have already spoken about this question of charitable donations. I have had a word with the Minister of National Revenue about it, and I have raised this question and all the other proposals and suggestions that have been made during the course of this debate with the officials of my department. I have asked them to keep a record of these, and they will be carefully considered before the next budget is presented.

**Mr. Gregoire:** I have only one question for the Minister of Finance. Are we to understand, then, that the minister is ready to consider the necessity for amending this portion of the Income Tax Act?

**Mr. Gordon:** I was not indicating that I thought a formal amendment at this moment was in order. I am sure it is not. I do say

that I will seriously consider this point, as well as the others that have been brought up during this debate. I have asked my officials to make a record of them.

**Mr. Gregoire:** We will accept the word of the Minister of Finance, Mr. Chairman.

**Mr. Rynard:** Mr. Chairman, I want to speak briefly on two aspects of Bill No. C-95. I am sure the Minister of Finance will agree when I say that it was much easier to offer suggestions and criticisms when he was in the opposition than it is today to run his department. I am sure also that he will say it was a lot easier to criticize before he was even elected to parliament. In the light of experience I am sure he has a different view, and probably yearns for those old days.

I am sure that no one questions the integrity of the Minister of Finance. I am sure too that just as he himself probably thought at one time, there are at least a thousand people across Canada who believe they could run his department better than he is doing today.

**Mr. Gordon:** Good luck.

**Mr. Rynard:** Yes, I can even remember when the minister was bold enough to say, as an opposition member, that he did not have to wait for the report of the royal commission on taxation; a few lawyers and accountants could fix up the taxing statutes. It seems to me that since that time the minister has made a few amendments and in my opinion made a few more loopholes in the act.

Speaking seriously, I think it is about time, Mr. Chairman, the laws and rules in relation to income tax were made simple enough for the people who pay the taxes to be able to understand them. Well, the critic of yesterday is the minister of today, and the Income Tax Act grows more complicated. No business firm could afford to hire a workman or executive who made similar fumbles in the conduct of business. Some of these fumbles that are apparent in Bill No. C-95 are important, and I will refer to one of them, the 15 per cent withholding tax on dividends of United States companies operating in Canada. This is to be increased to 20 per cent by 1965 if the United States subsidiary has not sold 25 per cent of its shares to Canadians.

In my opinion, Mr. Chairman, there are three inherent dangers in this provision. First, as soon as the United States government realizes that this provision is in force they will simply retaliate by removing their 15 per cent tax and automatically the withholding tax on the other side of the line will go up to 30 per cent. This will apply to all Canadian subsidiaries in the United States.

Then I should like to know from the minister how in the world he is going to force Canadian investors to buy these stocks. In many cases the investor will receive a lower rate of dividend than he would receive from an investment in a Canadian company. Then if the investment is made, how in the world is the minister going to make the investor hold on to it?

The third danger is that you will scare investors away, and the people of the United States are the big investors in Canada. I submit, Mr. Chairman, this is an anti-American rule. You do this, and you take comfort in the fact that Mexico, France and other countries have done it. It is my opinion, Mr. Chairman, that such restriction should be imposed at the time of the incorporation of the company. Then the restrictions are known and accepted by the foreign investor at the time he makes his commitment, and not after. Here you are trying to change the rules of the game after he has invested his money. In my opinion such a policy must be regarded as evidence of bad faith.

Now, what happens to our Canadian subsidiaries in the United States? On the whole, Mr. Chairman, they are larger than their American counterparts in Canada. They are operating in a big market, about ten times the size of the market in Canada. The Canadian investment is substantial, and I could mention many firms such as Massey-Harris, Moore Corporation and Electrohome as well as the brewing and distilling interests. They are doing well in the United States market. At the moment the United States government is planning on lowering the corporation tax from 52 per cent to 45 per cent, a reduction of 7 per cent, leaving a larger portion of the profits subject to the 30 per cent withholding tax. If the Americans retaliate against our tax hike—and in the light of experience we know they have always done this—it will mean that the Canadian investor will have a larger cut taken from him. Let us take the example of a company earning $1 million profit, a corporation that is taxed in the United States. Under the new tax it will pay $450,000, leaving a balance of $550,000. Then there is the 30 per cent withholding tax amounting to $165,000, before any of the profit is returned to Canada. Then when this is remitted to the taxpayer he pays a third tax, income tax. This is a triple tax, and I submit that triple taxes are bad.

The Canadian operation or subsidiary in the United States is generally larger than the Canadian parent, and the Canadian operator wants a rather better dividend than

the American operator because interest rates are higher in Canada. If he does not get this better dividend then he is not satisfied. In my opinion many of the Canadian subsidiaries in the United States will move their head offices to the United States. Not only that, but I believe a United States subsidiary in Canada is in a much better position. It is, as I have said, smaller in relation to the parent company, and it can plow back its dividends for two, three or four years until the tax is changed. Those are my reasons for saying this is a bad tax which will work against the Canadian economy.

I want to dwell for a few minutes on the matter of incentives to businesses in depressed areas. The first point I want to make deals with the basis of picking a depressed area, an area with 50 per cent of the national employment average over an eight year period, and an area of low employment over the summer months from May to October, again on an eight year basis. I understand the figures are supplied by the Department of Labour. This is all done on a statistical basis, and I object to that because it is open to all the mistakes statistics make when they try to analyse human reaction.

In one area I know of, cars full of people go to work in a neighbouring city 50 miles away. They have been doing so for years; and I wonder, especially with the populated areas in western Ontario, how one can pick out a depressed area when people travel back and forth from it, 50 and 60 miles, to work in another centre. Surely there is something wrong when the mayor of a city does not know he lives in a depressed area. The premier of British Columbia did not know his home town was a depressed area, nor did the people of Edmundston know their town was a depressed area.

I have here an article from the *Globe and Mail,* and I would like to put some extracts from it on the record:

> In this Edmundston sets an example that might profitably be followed by many Canadians elsewhere, who now accept the proposition that it is the duty of higher governmental authority to establish that climate in which enterprise can thrive. Edmundston is undertaking that task on its own, creating a city where, as the mayor put it, their sons will want to remain and industrial executives will want to live. For an area that a welfare minded federal government has declared to be depressed, the climate is remarkably bracing. Would that some of our so-called prosperous areas had as much energetic enterprise.

But over and above all that, this is a direct contravention of provincial-municipal rights, and my own province of Ontario has a law which says no municipality shall offer incentives to industry.

Further, Mr. Chairman, I would like to know what research has been done in the depressed areas. By that I mean have they a suitable climate for industry? Is industry likely to grow and expand in them? One has to ask those questions because otherwise you are wasting the taxpayer's dollar. At one time or another many of these areas had a great deal of industry, which has moved out of them. Have the reasons been ascertained why this industry moved out, or do they still exist and are they likely to drive industry out once more?

The tax incentives include tax free holidays, 50 per cent write-off in two years and a write-off of 20 per cent over a five year period. These are hedged in by specific regulations that will be, according to the *Financial Post,* a source of continuing friction.

Three types of industry will respond to these incentives. One is new industry just incorporated and establishing itself. This is the type needed. Another type is a presently established industry engaged in changing its manufacturing enough to qualify for the incentive, leaving its present location where its move creates unemployment, and going to another area to create employment, with no useful result following the expenditure of the taxpayer's dollar. The third type is the United States industry coming into this country, being subsidized and picking up hundreds of thousands of dollars to establish the very thing which the Minister of Finance decries. He has said the United States already has 60 per cent ownership of Canadian industry, and I think he added "It is later than you think."

In conclusion I say let us spread out our incentives, making it a little more attractive for the workingman, the businessman and the professional man to invest in the development of Canadian industry. Let us give the Canadian people, the people who work in industry, the people who work in shops across Canada, a tax free holiday on money that they put into Canadian industry. In this way Canadian ownership of our factories will be built up and our citizens will have a pride in owning them.

At the same time we should cut out our anti-Americanism with our discriminatory taxes on their investment in Canadian industry. By doing this we will allow our Canadian industry in the United States to flourish unhampered by discriminatory taxes in an area where they have huge markets. This bill is an immature bill, is very discriminatory and should be changed.

**Mr. Otto:** Mr. Chairman, I want to dwell on the section about which the hon. member for Simcoe East has just spoken, but before doing so I wish to say there has been a lot of talk in the past about Canadians owning

their own industry, and there has been some confusion about the reasons that we must own our own industry.

Many hon. members on this side, and I know most hon. members on the other side of the house, have received a very calm and clear indication from Americans, from the owners and representatives of United States parent companies which have subsidiaries operating in Canada, to the effect that all they want to do is make money. They say if a product can be manufactured more efficiently in Canada and exported elsewhere they will do this. They do not care where their money goes.

I must admit that this seemed a very good argument until I recalled the Korean war, during which time cold rolled steel was put on a priority list and could not be exported from the United States when it was needed for the war effort there. I recall that during those years 40 per cent of the appliances sold in Canada were brought in from the United States.

Quite recently I read the report of Canadian Westinghouse, which had sales of upwards of $129 million with losses between $300,000 and $2 million. It is pretty difficult to say what portion of the expenditures of Canadian Westinghouse were on parts brought in from the United States, but I am inclined to think that United States capital, despite all it says, is isolationist. Capitalists in the United States want their money in the United States where they can always put their hands on it; therefore it is very important for Canadians to own their own industry. It is not an emotional issue.

We have been saying, and hon. gentlemen on the other side when they occupied these seats always said, we must have more industry in Canada, more secondary industry. But we must also acknowledge that we want more Canadians to gamble or risk their money in new industry. Most of us are aware that Canadians are not buyers of shares, except shares of Bell Telephone Company, Hiram Walker or something of that nature. We are great mortgage buyers and great savers.

We have about $13 billion in savings and in transit. If we can judge how much we have in safety deposit boxes, taking as a standard the proceeds of robberies such as that in Brockville, we may have another $13 billion there. We want to put this money to use, but the Canadian has always been known as a reluctant investor. We are cautious, and the reason is that the money we have has been hard come by, and the money we risk in shares is usually money that came by way of dividends and profits. If we do not have that money we are not going to have more money to risk and thereby to expand. The essential thing is that Canadians have to invest in their own industry. Every year $250 million in Canadian dollars goes across the border to be invested in United States industry. We want to have that money invested here.



But I do agree with the hon. member who spoke just before me. I still have doubt that by this differentiation in the withholding tax on companies we are actually going to convince Canadians to buy shares or, for that matter, convince United States shareholders to sell shares because it is the shareholders we must influence, not the companies.

I know that the minister has it in mind to induce Canadians eventually to buy shares in our industries or to purchase back shares from the Americans, English or Swiss who now hold them. I think the incentives should be directed toward the Canadian investor. If we can convince Canadians to take their money out of bricks and mortar, out of those things in which they have always been accustomed to invest, out of mortgages and other very secure investments and invest that money with a little bit of risk I think we will achieve something. We could do this initially in my view by an amendment which I think should have been included. I suggest that we should put the Canadian investor in the same class as a businessman, so that he can deduct his losses from his profits. I think this would be an inducement to Canadians.

I know from several conversations with the minister that his ideas are good. I was one of the first to call him a reformer and I believe he is a reformer. I believe this legislation is good. If the minister has made mistakes he has admitted them. With all respect, I say that every member of the house should support the ideas expressed in the bill and support them very strongly.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** Mr. Chairman, I shall not hold up the committee very long, but there is one particular point I want to bring to the minister's attention. I suspect it has already been brought to his attention but I wish to do so again. I refer to the position of part time students in Canada with regard to the deduction from their taxable incomes of the sums they pay in fees. I do not know whether the minister was able to see the delegation which came from Montreal, but I understand his parliamentary secretary did so. That delegation consisted of representatives from the evening students association of Sir George Williams University, the students council of Sir George Williams evening high school and the University of Montreal.

They pointed out to us in the course of their brief and in the course of the interview

the anomalous position in which they are placed in relation to the position of full time students in Canada. They are not permitted to deduct from their taxable incomes the amounts they pay in fees and educational costs because they are part time students and are employed.

One of the most striking anomalies is that a corporation which decides that it will finance some of its employees in further educational courses or a corporation which decides it will establish bursaries and scholarships can deduct the cost from their taxable income for income tax purposes. It does seem to me this in itself is a great injustice but it also seems to me very shortsighted because surely there is nothing more important in Canada than that young people, particularly those with the enterprise and determination to go on with their education after they have moved into the adult world and are working for their living, should have every encouragement.

It seems to me that this is one instance where we really have the opportunity for an investment in the improvement of the whole quality of life in Canada. Who knows what will happen, Mr. Chairman? If we can encourage sufficiently those who are uneducated we in this chamber may find ourselves replaced by much more effective members of parliament in the future. I should like to plead strongly with the minister to take this problem under very serious consideration immediately. Across Canada I imagine that these students probably number now some 700,000, inasmuch as the dominion bureau of statistics reported that in 1959-60 there were 664,000.

It is true enough that only some 45 per cent of those are engaged in professional courses leading to degrees or diplomas and 44 per cent are in general or cultural courses, but it seems to me that those who are working toward a diploma or a degree certainly should have some help. I have made some rough calculations as to what it might cost the treasury. I am not sure I am even approximately correct but I would imagine it might cost between $12 million and $15 million. I do not know whether that is a correct estimate, but I should like to impress on the minister the necessity of doing something for these young people who are so determined to improve themselves in a world which badly needs educated people.

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, I would like to make a few remarks which concern the bill directly and indirectly. I would like to point out that I entirely agree with the remarks the hon. member in this corner of the house made to the effect that the government should consider the deduction of school fees. I think it would help education without impinging on provincial autonomy.

Such a deduction would encourage parents, and even the students themselves, to pursue their studies and acquire a greater degree of specialization which would give them a place in the sun in later life, and prevent their becoming a liability. I would like the hon. minister carefully to study the request made today. At the same time, we would be interested to know the reasons which would prevent the government from acting in this way, and we would also like to know how many million dollars a year such legislation would represent for the government, if the request were accepted.

Mr. Chairman, it would be essential, to my mind, to locate in each area of this country, a representative of the national revenue department, to meet the taxpayers and help them prepare their returns. I think it might be consistent to have, during the months of February and March, i.e. for two months, experts of the Department of National Revenue visit a given area, Joliette, for instance, where they would be at the disposal of taxpayers and companies who would want some points cleared up as well as some advice in preparing their income tax returns.

I believe, Mr. Chairman, that the government would gain much by doing so, because by informing the people those experts would prevent a number of errors and alleviate the burden of the national revenue department staff which has to check those returns.

I think that if the suggestion were accepted by the government, and some officials of the Department of National Revenue were sent here and there in every province of this country, such action would be very much appreciated by the whole Canadian population.

It has been said many times in the house, that the Income Tax Act is very complicated and even accountants often have to ask lawyers to explain certain points before knowing what to do.

Mr. Chairman, I read in the paper a statement by the former mayor of Toronto, Mr. Leslie Saunders, who expressed the following opinion:

> The delivery of receipts for gifts to charitable institutions, as practised in the province of Quebec "is nothing more than a racket".

Mr. Chairman, the former mayor of Toronto was entitled to his own views, but I do not share his opinion, far from it, I denounce it and I consider that such a statement is damaging to national unity. To my mind, a

citizen has no right to make such a statement, which is unfair to the people of the province of Quebec. There surely has been some abuse in that province, as in any other province of Canada. I do not share this individual's opinion at all and publicly denounce it. I think that such a statement is only a "breeding medium" for separatism.

If the idea of separatism is making some progress, these days, it is probably because of statements like that. I am sure that the people of Quebec are just as honest as anybody else.

Mr. Chairman, I have here a notice of assessment which was sent by the Department of National Revenue to a resident of the province of Quebec. This photocopy reads as follows:

After checking, your deduction for charitable donations to the parish has been reduced from $340 to $250.

In my opinion, that is absolutely meaningless. No good reason is given for reducing the deduction for charitable donations. In my opinion, officials of the Department of National Revenue have no authority under the act to reduce arbitrarily the amount of a receipt for charitable donation. Consequently, I object to such a practice.

I feel that the minister should seriously seek means to settle this problem once and for all. Several members have made interesting suggestions in that connection, but I do not fully agree with them. I will come back to that later on.

I should also like to know the total amount of the receipts for several years rejected by the Department of National Revenue. What is the total amount of those receipts? Every year, I am surprised when officials of the Department of National Revenue even go to rectories to check receipts for charitable donations.

In my opinion, it is an insult to so question the honesty of the clergy of the province of Quebec and of other provinces because, I am convinced that the same practice must be followed elsewhere and inspectors from the Department of National Revenue must be sent to check along these lines.

I should like to know whether in fact, the officials of the national revenue department audit the books of the Red Cross, for instance, or of the various community chests in the country. I wonder whether that is done with as much care as the investigations in the clergy houses where direct insults are made to the religious authorities.

I think that our Income Tax Act should be completely revised and adapted, not only to the Protestant denominations which I respect, but also in taking into consideration the Catholic religion. And on that matter, I should like to quote into the record from a speech by Mr. François-Albert Angers.

The story of the famous income tax receipts illustrates once more the troubles resulting for French Canadians or Catholics from a legislation conceived according to the philosophy of the English Protestant majority. Because as it was clearly established by the Tremblay commission, income tax is a matter which should remain entirely provincial, precisely because that is the tax which calls for interference into a multitude of family and private traditions: treatment of the children, concept of the relations between spouses, relations between parents and children, for instance, and the matter of salaries to be paid to the sons of farmers, etc., etc.

Consequently, I think it would be in our interest to revise completely our Income Tax Act and particularly that section.

Like other hon. members who made similar statements, I think we should find some scheme to eliminate those famous receipts. Some contend that there should be an automatic deduction of 10 per cent on the income. I think those people who advocate that system do not realize its impact.

In fact, if the government granted an automatic 10 per cent deduction without asking for charity receipts, that would be detrimental to those in the lower income brackets and the people in the higher brackets would profit from it.

I would prefer a 10 per cent exemption with a maximum of $500 without asking for receipts of course. That would mean that the taxpayers whose annual income is not over $5,000 would not have to ask for receipts every year in order to deduct 10 per cent from their taxable income. I think this is a constructive suggestion which should be taken into consideration by the government.

I just said that if the government granted an automatic 10 per cent deduction, it would discriminate against those in the lower income brackets.

As a matter of fact, before adopting makeshift solutions, it might be advisable to give some thought to the matter. The removal of the 10 per cent exemption for charitable donations would have, of course, the advantage of simplifying the matter, but it would not be the ideal solution.

Let us take for instance, the two provinces with the highest per capita income: Ontario and British Columbia. In the province of Ontario, out of 1,734,782 taxpayers, 1,168,669, or 62 per cent, use formula "A", that is, they claim the $100 exemption without submitting receipts.

In British Columbia, out of 443,252 taxpayers, 349,160, or 78.9 per cent, do not submit receipts for charitable donations. Even in the province of Quebec, the exemptions claimed do not represent 10 per cent of the taxable

incomes, but range about 8 per cent. Those figures were taken from the fiscal statistics for 1958.

Mr. Chairman, as I have already said, it is imperative that we come to a solution, for those investigations made in priest houses to check the receipts certainly cost thousands of dollars to the government. I think that if the minister could find a solution similar to the one I am advocating, the Canadian people would be grateful to him.

Mr. Chairman, those were the few comments I wanted to make. On the other hand, I shall have other suggestions to offer when the bill is studied clause by clause.

**Mr. Frenette:** Mr. Chairman, the study of a measure such as the present one is certainly an excellent opportunity for the members of the opposition to express their views, and I think that one of the most important parts played by the members of the opposition is precisely to contribute to the administration of the country by suggesting amendments to the present legislation and by objecting to some extent to those which could be prejudicial to the development of the country.

The introduction of Bill C-95 could have been a fine opportunity for the government to correct certain mistakes made in the last budget by advocating tax adjustments which would have encouraged worth-while efforts, but the government did not make the most of it.

But while this measure is not entirely satisfactory, we have to admit all the same that it effects some improvements and, in many cases, includes an incentive for Canadian-controlled industries, in short, an incentive for investments in our own industries. And there again, it must be recognized once more that the Minister of Finance (Mr. Gordon) is consistent, that his program for the emancipation of the Canadian economy is going merrily along and that, thanks to everybody, it will probably be such as to give us this emancipation we are all hoping for.

The bill also contains provisions to encourage the establishment of new industries in designated areas through tax reductions to the companies concerned. Here again, I feel the minister should be given some credit for having taken such a step, to enable those areas which, though I am not going to describe them as underdeveloped, are still suffering from chronic unemployment, to grow and to get rid of the evil of unemployment.

However, as far as the designated areas are concerned, I would have liked the government to take into account, in its classification, certain opinions, as it were, of intermediate public bodies which would surely have been invaluable to the departmental officials responsible for that classification.

And I am thinking here of the contribution which municipal councillors could have made in the designation of the areas because, being the government closest to the people, they are certainly in a position to have a better idea of the requirements of the people.

I believe that this tax exemption extended to industries, in designated areas, will bear its fruits a little late, and I am of the opinion that that exemption period of 36 months is not sufficient to ensure the stabilization of industry in those areas.

By the way, this tax exemption in the designated areas bears a strange resemblance to the policy followed by a great many municipalities in granting municipal tax reductions for three years, five years or even for longer periods to industries which decided to set up there. That system turned out to be ineffective because it was temporary, and sometimes it only promoted the interests of some swindlers.

However, I still hope this measure will bring better results and that this experience will be more profitable.

Mr. Chairman, we hear a good deal about designated areas. Statistics show that in the province of Quebec, we unfortunately have—it is not a record to be envied—40 per cent of the unemployed in the country.

It is enough to wonder whether the Minister of Finance should not have so designated the whole province of Quebec, thus allowing for a more considerable development of industry.

The other point I should like to clear up, Mr. Chairman, is the problem of industries already existing in those areas and which are eager to develop through the advantages granted new industries. I am not sure that those industries will have the same tax abatements as the new industries, but I will follow the discussion closely in order to learn a little more about that matter. I consider that the already existing industries should deserve at least the same treatment as the new industries which will set up in those areas.

In our day and age, Mr. Chairman, everything increasingly tends to centralization. It is not with half-measures, such as those advocated in Bill C-95, that we may effectively check that trend.

For several years now, we have been witnessing the invasion of the taxation field by the federal government. The provinces and the municipalities do no longer dare to increase the taxation level and consequently, are increasingly involved in long term loans, thus binding future generations to meet present needs.

The government which is the closest to the people, namely the municipal administration,

is the most seriously affected. As I said a moment ago, being better acquainted with the tax-paying capacity of its people, the municipal administration does not dare to increase taxes. This leads us to conclude—and it is becoming urgent—that we should completely review our taxation system with a view to decentralization.

Mr. Chairman, in all sincerity, I would like to make a few suggestions to the Minister of Finance, concerning income tax.

One of those I would like to see adopted is an exemption which, I believe, could be allowed to individuals who possess their own house, their own dwelling; they would be granted an exemption based on the cost of municipal and school taxes, for instance, if a citizen has to pay $500 per annum for municipal and school taxes, he would be entitled to deduct that amount of $500 from his taxable income. I believe that such a measure would be an encouragement to housing construction and, following other measures which have already been taken, it would certainly stimulate construction and encourage people to own their homes.

Mr. Chairman, I am convinced this exemption based on the cost of municipal and school taxes would be much less costly to the departments of finance and national revenue than the present system, which has to cope with difficulties caused by the requirement in regard to charity receipts, about which much was said this afternoon and to which I do not wish to refer again.

I am of the opinion it would be much easier to control this tax exemption than that we have presently; not that I am opposed to this one, of which we may avail ourselves by producing charity receipts, but I am convinced it would be an additional exemption which would certainly be to the advantage of Canadians.

On the other hand, I would bring to your attention, Mr. Chairman, that this tax exemption based on municipal and school taxes already exists in the United States; and if we may say that everything coming from the United States is not good, it must be recognized, however, that we have some lessons to draw from those people as far as economic measures to be taken are concerned.

Mr. Chairman, I shall also take the liberty of suggesting to the Minister of Finance or other responsible people, that further consideration should be given to the case of the heads of family whose children are attending university, since the present exemption is utterly ridiculous, when we take into consideration the expenses relating to the education of these children.

I am coming back to another point already raised, I believe, by another member who said—I am sorry to come back to it but I am convinced that it is important—that a particular tax exemption should also be granted to workers and loggers who are forced to lay out money for the purchase of some working equipment. If I am not mistaken, I think that some professionals are granted a tax exemption when they have to buy equipment. It would therefore be fair, natural and normal that our Canadian workers be treated in the same way as some categories of professional people because, in fact, they also have their role to play in the country.



Other suggestions have been made of course, Mr. Chairman, and I do not want to repeat them. However, aware as I am of the good will of the Minister of Finance, I know he will take notes and that probably, in the course of the debate that will follow, will be glad to inform the house of new tax relief with regard to personal income. On the other hand, we understand very well the needs of the government which is faced with an ever increasing deficit and which sees its expenditures go up each year. But unfortunately, we find that those who are most opposed to new taxes are precisely those who want most.

We are now witnessing, Mr. Chairman, a contest between the three government levels concerning taxing, a contest whose costs have unfortunately to be paid, as always, by the Canadian taxpayer.

In the field of industry, people are concerned and inquisive about the future. The tax burden is so heavy it has become an obstacle to development and progress. We are in a vicious circle, Mr. Chairman. As long as we refuse to admit that the present situation is contrary to what existed 50 years ago, namely that the main problem which faces us at the present time concerns distribution and consumption, and not production, there is no reason to roam the world over to find possible markets. We have the market right here in Canada. We must give Canadians efficient means to allow them to play their part as producers and consumers.

Mr. Chairman, may I read here an extract from a speech delivered by Mr. Orland, businessman from Halifax, at a convention of the chamber of commerce, when he said:

> Immediate steps are required to alleviate the fiscal burden before it stifles the economic growth. Mr. Orland calls taxes a major problem which increases all the time, and he blames federal, provincial and municipal governments for "levying all taxes you can think of".
>
> If taxes go on increasing at the same pace as in these last years, "a disproportionate part of the gross national product will be channelled to government coffers to the detriment of private enterprise".

And Mr. Orland goes on to say:

The frantic efforts made to stamp out economic malnutrition and which consist in blood transfusions from the patient himself are doomed to failure.

**The Chairman:** Order.

[*Text*]

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 pursuant to section 3 of standing order No. 15.

[*Translation*]

**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 public bills and orders for returns.

[*Text*]

## PRIVATE BILLS

### ALLSTATE LIFE INSURANCE COMPANY OF CANADA

On the order:

House in committee of the whole on Bill S-28, an act to incorporate Allstate Life Insurance Company of Canada (without amendment).

**Mr. S. Perry Ryan (Spadina):** At the request of the hon. member for Villeneuve (Mr. Caouette), I should like this motion to stand until next Thursday.

Motion stands.

### THE MANUFACTURERS LIFE INSURANCE COMPANY

**Mr. Ian Grant Wahn (St. Paul's)** moved the second reading of Bill No. S-43, respecting The Manufacturers Life Insurance Company.

He said: This bill is simply intended to give the company a French name, the name set out in the bill, which is "La Compagnie d'Assurance-Vie Manufacturers". The company is one of those companies which have taken advantage of the statute which permits mutualization. The purchase of the stock of the company has been completed, so that it is now a mutual company. I am informed that there are 14 directors and all but one of the directors are Canadians. This company has a substantial number of policies in force in the province of Quebec, and it is very active there. For that reason, it is anxious to have a French name.

I do not believe I can add anything more, except to assure the house it is a Canadian company and I trust the bill will be referred in the usual way to a standing committee.

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** I have only one remark to make, Mr. Speaker. Far from being against the suggested amendment, I am in favour of it, but I would hope that the government would amend the federal Companies Act so that any company which seeks incorporation in the future will be forced to have two names, one in English and one in French.

I hope the Companies Act will be amended along those lines. In my opinion, we would not have to deal with such requests now if that had been done in years past.

[*Text*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** I should like to ask the hon. member what proportion of the company is controlled by this one foreign investor?

**Mr. Deputy Speaker:** May I remind the house that if the hon. member speaks now, he will close the debate?

**Mr. Wahn:** Mr. Speaker, the stock of the company has been purchased by the company itself, so there are no shareholders. At the present time, the company is really owned by its policyholders and, in that sense, it is a mutual company. I am informed that the policies in force in Canada have a face value of $1,663,962,000, and of this amount more than $271 million is in force in Quebec. I have not the information concerning the face amount of policies issued to persons resident outside of Canada. It is my understanding, however, that the company is primarily a Canadian company and that most of the policies would be Canadian policies. However, I have no specific information on the number of policies owned abroad, but this information could be provided in committee.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

## MOTIONS FOR PAPERS

### CORRESPONDENCE WITH U.S. RESPECTING UNION TRUSTEESHIP

**Hon. Paul Martineau (Pontiac-Temiscamingue)** moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July 1963.

He said: Mr. Speaker, this is a motion for the production of certain papers exchanged between the government of Canada and the government of the United States dealing with the great lakes shipping situation and the trusteeship that has been set up as a result

of the recommendations of the Norris commission. The motion has been submitted to the house because of the general principle that parliament is vested with the power to order that a document be laid before it that may be necessary for its information.

I might point out that such a power is broad enough to include documents of a confidential nature if the house believes that it requires their production. The fact the documents are confidential cannot be invoked to block their production, because the necessity for providing parliament with information would take precedence. These documents are being requested because they have been introduced already on a piecemeal basis into the debates of this house. Surely the house cannot be fully informed without their production.

I could cite quite a number of occasions within the last 10 or 15 days when references have been made by the Prime Minister (Mr. Pearson) and other members of the cabinet to these documents as well as to statements made by members of the United States administration. For instance, on October 15 at page 3525 of *Hansard* the Prime Minister is recorded as referring to the unhelpful intervention by the United States secretary of labour. He referred also to the statement by the President of the United States which in his view, indicated that the President would co-operate to see that Canadian shipping in United States ports would be free from harassment and sabotage.

On October 11, 1963, page 3441 of *Hansard*, the Prime Minister is reported as referring to the apparent failure of both the secretary of labour of the United States government and the president of the A.F.L.-C.I.O. to appreciate fully the fact that the dispute on the great lakes is essentially a Canadian dispute, although of course it has international ramifications. Then, the Prime Minister also stated that this matter—

**Mr. Martin (Essex East):** I rise on a point of order, Mr. Speaker. I do not want to intervene unfairly in the remarks of my hon. friend, but I am sure he is aware that in the discussion of this matter, under this particular procedure, it is not open to discuss anything other than the particular motion. One cannot discuss the merits of any dispute that may have some relationship to the problem. The only issue before us is whether or not these documents should be produced. What my hon. friend is now discussing is not a matter involved in the documents, but a matter of public statements by certain individuals already designated by the hon. gentleman.

**Mr. Martineau:** Speaking to the point of order, I may say that the reason I quoted these extracts from *Hansard* is simply to bring out the fact that the documents and statements have already been referred to in the course of debate in this house. This is the only purpose. It is necessary for the house to know this in order to decide if the documents should be tabled. I am not arguing in any way about the merits of the situation in connection with great lakes shipping or the trusteeship.

I was stating, Mr. Speaker, that the United States secretary of labour had brought this matter within the domain of public concern by issuing public statements. I refer, for instance, to the statement made by the Minister of Labour (Mr. MacEachen) on October 11, as recorded on page 3457 of *Hansard*, in which the minister refers to a statement by the United States secretary of labour as follows:

> I have expressed through formal channels the continuing willingness of the United States government to seek an accord which will meet fully the public as well as the private interests which are involved here.

Then, on October 8, as recorded on page 3304 of *Hansard*, the Minister of Labour stated:

> I have discussed this matter with the officials of the labour department... the Canadian ambassador discussed this matter yesterday in the United States... the United States authorities will fully comply with United States law with respect to this situation.

On October 4, page 3203 of *Hansard*, the Minister of Labour referred to the fact that the discussions have not produced any clear conclusions. This again indicates that there were discussions. On October 3, at page 3149, the Minister of Labour referred to discussions with Mr. Reynolds, United States under secretary of labour, and finally on September 30, at page 3026, the Minister of Labour referred to a meeting at Boston with the secretary of labour.

In summary, Mr. Speaker, it is my submission that in this particular case public policy does not preclude the production of these documents. Indeed public policy calls for their production because, as the Prime Minister himself and other members of the ministry recognized, this is a purely Canadian matter and there has been, in the words of the Prime Minister, both a shocking and unhelpful intervention by the United States in it. Surely under these circumstances public policy dictates that the whole question be brought into the open.

**Mr. Martin (Essex East):** On a point of order, Mr. Speaker, I do not want to labour the point but my hon. friend knows perfectly well that the line he is now pursuing is out of order and is not permitted under this particular motion. The question before the house is whether or not these particular

documents should be produced. That and nothing else is the issue. What my hon. friend is now doing is to quote from statements made by the Prime Minister and others on the main question itself, this delicate and important question which faces the Canadian people. This part of the problem is not before the house, and any discussion of it is outside the provisions provided for in the procedure now open to us.

**Mr. Martineau:** On the point of order, and with due deference to the minister, I have not been quoting during the last few minutes from anything that was said. I was simply summarizing my own views as to why these documents should be produced, and one of the objections to their production was that public policy demanded they be not produced.

I have simply stated—and this is not a quotation from anyone; it is my own prose such as it may be—that in this case public policy, far from precluding production calls for production, because of the fact that statements made in the house have indicated there has been an exchange of views, correspondence and the rest, between the two governments, and also because it has been declared to be a strictly Canadian matter. If it is a strictly Canadian matter, we want to know why there has been interference, and the extent of the interference.

That is why we want the production of these papers. In summary, as I said before, we have had interference. We have had parts of these documents referred to publicly by those who made them in the United States. They issued statements to the press concerning their views on this matter, and we have had the Prime Minister and other ministers of the crown bring them into open debate in this house. Finally we have the claim of the Prime Minister that this is strictly a Canadian affair.

In view of this situation surely parliament is entitled to a full disclosure, and so far as diplomatic usage is concerned in all these documents or discussions of state between the state department and the Department of External Affairs, some of them have been exchanged through normal diplomatic channels, but others did not take that route and were exchanged directly between the labour officials of both governments, with a follow-up in the press when parts of the documents were sent for publication.

With regard to those parts of the documents that may be privileged or secret communications, naturally I do not want to rob them of their confidentiality; but even in this case the government should give the house an assurance that, because of the fact this is an exclusively Canadian affair, it will ask permission from the United States government to file any part of the documents.

Concerning precedents, Mr. Speaker, there are a number of precedents where documents involving two countries have been tabled in the house. The government is continually tabling international air agreements between various countries. The latest I believe was in November, 1962, when an agreement between Canada and the United Kingdom concerning air traffic was tabled. Last session the hon. member for Winnipeg North Centre (Mr. Knowles) submitted a motion to the house, which was accepted, for the tabling of correspondence with other countries concerning the drug thalidomide.

We had the precedent which took place this very afternoon when the Secretary of State for External Affairs requested the hon. member for Yukon (Mr. Nielsen) to table a copy of a letter from the officer in charge of Canadian affairs in the United States state department to a chamber of commerce, I believe in Montana.

**Mr. Martin (Essex East):** You will have to get a better precedent than that.

**Mr. Martineau:** I think that is a precedent which goes far beyond normal diplomatic usage, and certainly there was less justification for tabling such a letter than in seeking the tabling of documents which are required for a serious purpose on a vital matter.

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, before the Secretary of State for External Affairs attempts to call me to order I would like to draw his attention to the fact that the quotations given by the hon. member for Pontiac-Temiscamingue (Mr. Martineau) are completely relevant to the debate. I say that for the reason that when there are press releases issued by officials of another government usually there has been privileged communication between that government and the country referred to.

Further there has been what the Prime Minister may have referred to as embarrassing statements. I am not too sure if he used that expression, but he certainly used some rather strong language about statements issued by secretary of labour Wirtz and other people in the United States respecting their attitude to the Canadian trusteeship bill and various other problems connected with the S.I.U. Therefore if the normal course has been followed, there has been communication between the United States government and the Canadian government prior to the press releases that were issued by officials of the United States government, and surely this is relevant to the argument that there must exist some related documents that could be produced.

It would be well for us to know if there are such documents in existence. I am not prepared to suggest that all documents be released, but certainly those which relate to the press releases should be forthcoming so that we can see the extent to which the United States government attempted to interfere in a purely Canadian matter. Further, the government has complained recently that the United States revealed confidential information respecting wheat sales. Therefore I cannot see how reference to these press releases can be regarded as irrelevant to this debate.

I would like to remind the Secretary of State for External Affairs of the support the Minister of Labour received when he honestly, openly and frankly came before the house with legislation which we recognized was necessary to deal with a very serious situation. There was almost unanimous support given to the Minister of Labour to deal with that very tough and yet delicate situation. I am sure that a matter so serious as the interference of another government in our internal affairs will receive the same measure and degree of support.

It is obvious to all hon. members that the immediate problem facing the government and the board of trustees is the harassment and picketing of Canadian ships in the United States.

We have apparently reached the point, so far as the Canadian unions are concerned—

**Mr. Martin (Essex East):** Mr. Speaker, I hope the hon. gentleman will not misunderstand me when I rise again on a point of order. It is not that I do not believe the matter he is now discussing is not vital and important. It is. But I submit to him and to you, sir, with the greatest confidence—and I recall the discussions we had last session on this very matter—that on this motion it is not open to any hon. member to discuss the merits of the question which gives rise to the motion itself.

The motion before us is for the production of papers with regard to this matter. It is not open to any hon. member to discuss the matter itself. All he can discuss are reasons, based on precedents and parliamentary practice, why the particular motion to produce certain papers involved in the negotiations between the two governments should be accepted. This is the only issue. My hon. friend is complaining about the picketing in the United States. I am in full accord with such complaints but it is not open to us at this moment, at this hour and under this procedure, to discuss that question.

**Mr. Olson:** On the point of order, first of all may I say that the purpose of asking for these papers is to provide the house with the information that is vital and necessary in making the decisions that it must make to deal with the situation. It is spelled out in the motion that it is to deal with the proposed trusteeship of Canadian maritime unions. If the house is going to deal with the interference of the United States government and the possibility that the Canadian government was warned that this harassment and picketing was going to take place, then I think members of the House of Commons have the right to have a look at these documents and know all the facts.

**The Acting Speaker (Mr. Batten):** Order. We have had three points of order raised on this matter and it is not the first time in recent days. I should like to point out that over the years a number of Speakers' rulings have been made on this particular matter explaining the narrow limits of debate on a motion of this kind. I should point out to the house that under the motion now before us members do not have the right to discuss the shipping situation on the great lakes, nor do they have the right to discuss the merits or demerits of the trusteeship. The only question before the house at the moment is whether or not these documents should be tabled and in the ensuing debate I think members should confine themselves strictly to that question.

**Mr. Martineau:** On a point of order, I think what the hon. member for Medicine Hat was trying to bring out was that, because of the situation with regard to great lakes shipping and the trusteeship and because of the exchange of documents it is necessary that these documents now be filed. That was the basis of his argument. I think the Secretary of State for External Affairs took absolutely the wrong view in interpreting the remarks of the hon. member, because the hon. member did not even touch upon the merits or demerits of the situation. He said that because of that situation these documents should be filed. That was the crux of his argument.

**Mr. Olson:** Mr. Speaker, in closing I should like to urge the Secretary of State for External Affairs to consider the matter raised in the motion, to recall also the support that the house gave the Minister of Labour (Mr. MacEachen) when he was faced with a serious situation and to remember that if this harassment and picketing of Canadian ships in the United States goes on further action by the house may be required to deal with that situation. I earnestly plead that the minister take the house into his confidence and give hon. members the necessary information to make intelligent decisions.

**The Acting Speaker (Mr. Batten):** Is the house ready for the question?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I am sure we will all agree with the last observation of the hon. member who has just taken his seat, that from day to day the Minister of Labour (Mr. MacEachen) has given the house all the information on this matter that he could give and, indeed, in his handling of this matter he won commendation from the Leader of the Opposition (Mr. Diefenbaker) for the forthright manner in which he dealt with the problem. I realize that members of the house generally in all quarters have recognized the importance of this matter and have taken a responsible position on the merits of the dispute which, however, is not the issue before us at this moment.

The issue before us arises out of a motion in the name of the hon. member for Pontiac-Temiscamingue (Mr. Martineau). It is important for us to read the resolution to see what the issue is and what the implications are. The motion reads as follows:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July, 1963.

**Mr. Aiken:** Would the minister allow me to ask him a question? Would the minister read it again so the house can be sure of it?

**Mr. Martin (Essex East):** I would read it again if I thought my hon. friend had not already read it carefully, but as I think he has and is not serious in the intervention he has made I will just accord him the same pleasant reaction that he is now giving me. I think it is important for us to see exactly what the issue is. If we were discussing the merits of this dispute the matter would be handled by the Minister of Labour; but it is a matter concerning relations with the United States that is involved in this motion. It is on this account that I, as Secretary of State for External Affairs, am dealing with it.

When this motion was called on the 16th of October I expressed the view, and I reiterate it now, that it would be contrary to diplomatic usage and against the public interest to table all of the confidential papers requested by the hon. gentleman. As the hon. member for Pontiac-Temiscamingue well knows out of his rich experience as a minister, the precedents in May, Bourinot, Beauchesne and practically every other textbook dealing with parliamentary practice establish clearly that diplomatic correspondence of this nature cannot be required under these circumstances.

**Mr. Diefenbaker:** Why does the minister say this was diplomatic correspondence? Was it not interference?

**Mr. Martin (Essex East):** It was diplomatic correspondence in the sense that it involved, as the Leader of the Opposition well knows, exchanges between the two governments, and in that sense when we talk about the intercourse of one country with another we characterize this as diplomatic intercourse.

**Mr. Martineau:** May I ask the minister why some of these statements were published in the press and given to the press by those who made them?

**Mr. Martin (Essex East):** I will deal with that in a moment.

**Mr. Diefenbaker:** Why the selective nature of the information?

**Mr. Martin (Essex East):** I will deal with that in a moment. With regard to the first point it would, of course, be contrary to diplomatic usage to table these papers at the present time without the prior agreement of the government of the United States. I can tell the house that the concern we have in this matter is shared by the government of the United States. That alone is sufficient reason to encourage the hon. gentleman to withdraw the motion.

**Mr. Diefenbaker:** Would the minister allow a question? Has the United States been communicated with and has the United States administration stated that it would not want these documents produced?

**Mr. Martin (Essex East):** I have discussed this question with the appropriate persons representing the government of the United States in this matter.

**Mr. Diefenbaker:** That is not an answer.

**Mr. Martin (Essex East):** My hon. friend says that is not an answer. It is not the answer he wanted but it is an effective answer.

**Mr. Diefenbaker:** An effective smokescreen.

**Mr. Martin (Essex East):** It is true that documents exchanged between Canada and the United States have sometimes been tabled in the house. I will come to that. He mentioned the air agreement. While this is not the kind of agreement envisaged by my last statement, such an agreement obviously carries with it the implied agreement of the two countries.

But it has been a long established principle that in this house there is absolutely no obligation on the government to produce correspondence or documents when such action is deemed contrary to the public interest, and not only in this house but in the United Kingdom parliament.

**Mr. Martineau:** Unless the house so orders.

**Mr. Martin (Essex East):** If the house so orders then the government will have to consider, in the light of its responsibilities, what course it should take. That would be the situation resulting from a decision of this house of that kind. In the present case, as I have already made clear, the government does not consider that it would be in the public interest to table the correspondence requested by the hon. member for Pontiac-Temiscamingue. It is our opinion that compliance with this motion would be prejudicial to the continuation of informal discussions between Canadian and United States authorities who are attempting to find a solution to this problem. Accordingly, the government cannot agree to the suggestion made by the hon. member.

I think that is a correct statement of the usage and the practice in this house with regard to such a matter. The house has never quarreled with this position. Certainly during this very parliament this kind of defence or explanation was always accepted when it was offered by the administration. Repeatedly the hon. member for Kootenay West (Mr. Herridge) has asked me questions concerning the negotiations with regard to the Columbia river project. He wanted to know what progress we were making in the matter of price, what progress we were making with respect to other matters having to do with the Columbia treaty project, and I had to tell him repeatedly, and as an experienced and distinguished parliamentarian in this house he always accepted this, that it could not be done. I would say to him: "Of course, my hon. friend knows that while negotiations are under way it is not desirable or in the public interest to give such information". Then my hon. friend would sit down in the gentlemanly way in which he always sits down, and never did he take exception. Nor did anyone else; because it is obvious that if the government were to disclose correspondence between two governments in respect of a matter that is current and which, on that account, may be said to be in negotiation, such efforts would be prejudiced by publication of the documents. I cannot agree with my hon. friend when he says that the government has violated its defence against this motion by the action which he says it has taken from time to time by revealing in bits and pieces portions of what normally could be said to be regarded as confidential. Certainly I cannot accept that statement, and nothing that the hon. gentleman has said justifies this allegation.

What has my hon. friend done, Mr. Speaker? He has quoted from public statements of personalities involved in the matter both in this country and in the United States. I had to take him to task because I thought he was out of order. His course involved a discussion on the merits. But the point I am seeking to make is that the quotations referred to by my hon. friend were not from confidential documents; they were statements made by personalities to the public press or to the communications system in one form or another. Nothing has been adduced here which could be regarded as being a portion of a confidential document, as is understood within the meaning of the words involved in this motion.

**Mr. Martineau:** May I ask the minister a question. What has he to say with regard to the ruling or the explanation given by Mr. Speaker a few days ago, in which he stated that the confidential nature of documents does not constitute a valid objection to their production?

**Mr. Martin (Essex East):** My hon. friend does not answer my question by introducing a question of his own on an altogether different subject, which is what he has just done. What I am doing now is to deal with my hon. friend's argument that the government, by bits and pieces, was revealing confidential information which it refused to give under this motion. I am dealing with that argument and saying—

**Mr. Martineau:** On a point of privilege, I did not make that argument; I simply said that the fact that bits and pieces of these documents had already been referred to in debate in this house was a reason for their full production and disclosure.

**Mr. Martin (Essex East):** Well, I did not take issue with my hon. friend, but I suggest that this is not a question of privilege. I said that he has offered no evidence to substantiate the contention that the government was, by bits and pieces, revealing information that it was denying to the house through another procedure. The statement of the hon. member does not alter the situation when he says it is a purely Canadian matter. It is essentially a Canadian problem, but its final solution depends, as the hon. gentleman knows, upon the co-operation received from another administration in another jurisdiction. It is because of that that my hon. friend would agree, I am sure, on reflection, that it is not desirable to give information involved

in processes which do warrant our characterizing the whole dispute as one which has not only a Canadian but a United States interest as well.

My hon. friend referred to the air traffic agreement and cited this as a precedent. He said that we must produce these documents because on another occasion the governments of the United States and Canada tabled agreements which had been concluded between the two governments with respect to air policy. I am sure my hon. friend does not really expect the house to take that argument seriously. The air agreements were concluded and negotiations in connection with them had terminated, and as a result the agreements between the two governments were made public, as is always done in matters of that sort. But my hon. friend forgot to mention that, when we were discussing agreements involving the security of the state not very long ago in this house, even those agreements had been finalized this house decided that they should not be produced.

**Mr. Martineau:** May I ask a question. Does the minister consider that the present documents involve the security of the state?

**Mr. Martin (Essex East):** I did not say that. I was just dealing with my hon. friend's argument that every agreement between the two countries was tabled. That was the argument to which I was addressing myself, and I was pointing out the difference between the air agreements and other kinds of agreements, to bolster the suggestion I am now making that the argument made with regard to the air agreement has no application whatever to this situation.

My hon. friend would be the first to admit that while those air agreements were being negotiated any motion for the production of papers in connection with the matters under negotiation would be denied. That is exactly the situation confronting us at the present time. So, Mr. Speaker, I cannot believe that the hon. gentleman, in pursuing this motion, really intends us to take his motion seriously. I am sure that his experience as a member of this house establishes a justification for our belief that he knows that in a matter of such vital importance as this, not yet finalized, and involving the relations of the two countries, they would be concerned about the publication of these matters. This motion should not be accepted. I therefore resist it in view of the precedents in support of the position I have taken.

**Mr. Frank Howard (Skeena):** Mr. Speaker, I want to make only a comment or two, if I may, with respect to the reply or the arguments of the Secretary of State for External Affairs (Mr. Martin). The whole nub of his argument that these papers should not be produced revolved around what he classified as the public interest. It is oft times difficult to determine, especially when it is the Secretary of State for External Affairs who is speaking, whether he means the public interest or whether he means the government's interest. He expanded upon this question of the public interest to a point where, if I may paraphrase his remarks now, he said that it was never the practice in this House of Commons to give passage to a motion for the production of documents or correspondence with any other country in the world when the subject matter referred to by that correspondence was currently under discussion, because it might be prejudicial to the then current discussions or negotiations. I take it this was the argument.

**Mr. Martin (Essex East):** I do not think I said "never." I said it was not the practice.

**Mr. Howard:** The minister points out that he said it was not the practice. In essence, then, I am correct in the interpretation I have placed upon what he said, with the exception of the difference between "never" and "not", which might be a grammatical difference if anything.

We dealt yesterday with some motions for the production of papers, and I am sure that if the Secretary of State for External Affairs would just cast his mind back to yesterday he would find that this house agreed, because of the announcement of a minister of the crown, to produce just such documents and correspondence between Canada and the government of another country, documents dealing with a subject matter currently under discussion and negotiation. I refer, of course, to the correspondence between the government of this country and the government of the Soviet union regarding the halibut fishery, which is one of the fisheries covered by the north Pacific fisheries treaty, which treaty is currently under discussion between Canada, United States and Japan.

Surely the argument that it has not been the practice to agree to this sort of motion falls flat when we see that in substance, yesterday, we did agree to just such a motion. It seems to me that unless there is something which the Canadian government wants to hide, which may well be the case, this should be produced. My hon. friend the Secretary of State for External Affairs shakes his head, indicating, I take it, that there is nothing that this government wants to hide. The other side of the coin is, then, that it must be agreeable to disclosing this particular information. If there is nothing to hide, there is no reason why the government, apart from this nebulous question of public

interest about which the minister talked, should not table and make public this particular correspondence about one of the most vital subjects that was ever involved in Canadian-United States relations. To me it would be a simple question—I am sure the Secretary of State for External Affairs agrees with this—to ask the United States government if they would be agreeable to tabling and making public the particular correspondence asked for in this motion.

**Mr. Martin (Essex East):** I have already indicated that the proper spokesman of the government of the United States expressed concern about the publication at this time of these documents.

**Mr. Howard:** Well, I express my concern too. But surely the minister could tell the house whether they wanted to say yes or no. If the United States government said no, I am sure that out of respect for diplomatic relationships, no one in this house would want to press the issue to a conclusion. But in the absence of any indication of that sort it seems to me that all the Secretary of State for External Affairs (Mr. Martin) has been doing is to use his usual reservoir of words to cover up the facts; that what he means by the public interest is, in reality, the government interest, and that he is trying to hide something from the Canadian public.

**Mr. M. L. Klein (Cartier):** The reason primarily advanced as justification for the request for the production of these papers is the statement that there has been interference in Canadian affairs and that it is necessary to know the extent of this interference.

I should like, if it were possible, to see the documents which were exchanged between the C.I.O. and the A.F.L. and the seamen's international union, because it is here that the real interference in Canada took place.

It would seem to me that whenever there is an opportunity for this house to make a jibe at the United States, it does so. In my view it is far more important that we should accentuate those things which would tend to improve our relationship with the United States rather than try constantly to introduce questions which would divide us. I intend to refer, now, to a situation for which I do not say the entire blame rests with members on the other side of the house: blame rests with those who sit on this side, too. But I would say the country is sick to death of the manner in which we are still fighting the last election, and I say the demand for the production of these papers is merely a continuation of the election campaign.

**Mr. Martineau:** On a point of order; as the Secretary of State for External Affairs said a while ago, all that is pertinent to this debate are matters pertaining to the reasons why these papers should be produced or not. The hon. member has strayed far from that particular subject and I ask that he be requested to return to it.

**Mr. Klein:** It would seem to me to be a prime principle of law that when a person introduces a subject we are entitled to answer that person.

**Mr. Martineau:** That is not what the minister said. I must insist on a ruling and I am sure I shall be supported in this by the Secretary of State for External Affairs.

**The Acting Speaker (Mr. Batten):** I must repeat what I said a few moments ago—and if it should be necessary to inform the house further, I may say that I am armed with a number of rulings made by previous Speakers. I would again point out that the question before us is whether or not the documents mentioned in this motion should be tabled, and we should confine the debate as closely as we can to that particular question.

**Mr. Klein:** I am merely trying to indicate what effect the production of these papers could have. The one issue which supersedes all others is the precarious situation which now exists with respect to the wheat deal. It is important that this wheat be delivered. I have a strong feeling that if this correspondence were tabled it might seriously affect the conclusion of the wheat deal which we are so anxious to see completed. We seem to be debating this question on the assumption that this whole matter has now been settled, that wheat deliveries are going along fine and that Canada has no problem with respect to the biggest task which faces the country. Yet only last night it was reported—I forget in which newspaper—that seamen were leaving their ships in United States ports. This indicates the delicate condition of the present shipping situation.

**Mr. Olson:** Could I ask the hon. member a question? Is he suggesting that there is contained within these documents a threat, or something like that, from the United States government that either we knuckle under or our wheat deal will be in jeopardy?

**Mr. Klein:** I am not suggesting that for a moment. I do not know what the documents contain. But I do know that filing these documents could not possibly improve the situation; and if it cannot improve the situation, why take the chance that it might worsen it? The question asked on October 16 was asked in connection with the proposed trusteeship. I suggest that the trusteeship is now in effect and that the filing of these documents

in such circumstances would be an anti-climax. The only effect the production of these documents could possibly have at this time would be to stir up a situation which this government at this moment has been able to pacify. The situation on the great lakes at this moment is quiet and I say there is far too much at stake for us to do anything that might jeopardize the wheat deal. I think we are living next door to one of the finest neighbours that any country could wish to have and I am certain that were we living north of the Soviet union instead of north of the United States many people would not dare to say about the Soviet union the things they say against the United States and its people. I believe it is in the best interests of the economy of this country, and especially in connection with the employment situation in this country, that we should do nothing at this time to imperil the thousands of jobs which will be created as a result of the wheat deal.

**Some hon. Members:** Question.

**Mr. Klein:** May I call it six o'clock, Mr. Speaker?

**Some hon. Members:** No.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** I should like to deal with this question on the basis of the so-called precedents cited by the hon. member who has lately resumed his place, and also on the basis of principle. However, I note that it is now six o'clock.

**Mr. Deputy Speaker:** It being six o'clock, the hour devoted to consideration of private members' business has expired and the house will revert to the business which was interrupted at five o'clock.

## INCOME TAX ACT

The house resumed consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr. Gordon—Mr. Batten in the chair.

**The Deputy Chairman:** It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

[*Translation*]

**Mr. Frenette:** Mr. Chairman, at five o'clock this afternoon, I was concluding my remarks by quoting the words of a businessman who was wondering about the economic prospects of our country, considering the ever-increasing tax burden.

With your permission, I shall quote another distinguished businessman, namely Mr. Graham Towers, who said at the annual assembly of Canada Life Insurance Company among other things:

> I repeat without hesitation the opinion I already expressed at our last annual assembly: the expenses at all levels of government and the taxes which they bring forth are so high that they are apt to slow down economy, increase costs and the trend towards import, and tend to increase the problem of our international balance.

The United States government, acting on the advice of numerous economists, is contemplating a tax reduction. And yet, its expenses account for only 29 per cent of the gross national product, while in our country it is 33 per cent.

At any rate, the problem is becoming increasingly acute. In fact, it is time to turn aside from the beaten track to give a fair try to new economic and financial doctrines.

Our group advocates something entirely new in this field. We do not claim to possess a monopoly on truth, but we sincerely believe that the steps we suggest should be taken as the situation makes it possible.

New capital, coming from the Bank of Canada, could be put to work a little at a time, for instance in the municipal loan fund, and it would mean new blood for our very ill economic body.

We are convinced that the beneficial results of those measures would prove us right and would open the way to splendid achievements for a stronger Canada, economically as well as socially.

[*Text*]

**Mr. Horner (Jasper-Edson):** I should like to make a few brief comments with regard to Bill No. C-95, and particularly that section of it relating to the incentive to industry. I think it should be made clear, and I do not believe it has as yet, that there is a large segment of the country for which this provision in the bill will provide no help at all, but that area will be expected to pay for it. I am talking about western Canada. I think it needs to be put on the record that we do not object to this. However, on occasion we have heard some objection in this house when legislation has been passed that benefited only western Canada. I think it should be noted that we in western Canada are going to pay in several different ways for the provision now before us. Since this is the case, I feel we have a right to comment upon whether or not this is the best way to do it. I do not think it is. I do not

think the minister has given us enough information concerning the giving of incentives to industry in these depressed areas.

Perhaps there are better ways of accomplishing his purpose. Has he or his department made any detailed calculations as to which method is going to give the taxpayers of this country the most for their money? As I have said, we in western Canada cannot benefit from this particular part of the legislation. We are just going to pay for it. When you consider the effect that the sales tax has had already in a province like Alberta, you will find we are paying double. This year construction is down 30 per cent as compared with a year ago. When you consider that this is a new part of the country, when you consider that we are trying to get new processing and manufacturing industries established in that part of the country, then you realize that we are paying for this provision in a number of ways.

We have heard nothing from the minister, or in the detailed speech by the hon. member for Northumberland, as to other alternatives. Certainly, nothing has been said as to why we do not try other ways, why we do not use direct grants to get industries established in these areas. It seems to me there is an argument in favour of this method because it would do a lot of things. First and foremost, of course, it would provide capital for the prospective manufacturer to get started right away. Second, it would do away with all the red tape. I should like the minister to tell me how many more people he is going to need in his department to administer this incentive provision. How many inspectors will he need, how many clerks, auditors and accountants? This is a very indirect, complicated and discriminatory method of giving help in depressed areas. Can the minister tell me if his department has investigated these aspects, or will this just be another case of empire building within the department, and the provision of more and more men to curb private industry.

Perhaps the department could look into the possibility of providing facilities in those areas to encourage manufacturers to get started there. Has any work along this line been done? What are the costs going to be for what we are going to get out of this particular type of program? Has the department looked into the possibility of providing credit for manufacturers setting up in those areas? It seems to me that this would be a logical and much more direct approach to providing incentives for industries in those areas, and at a far less cost. This method would be better than the indirect method with all its red tape which has been put before us. I say this section of the bill is bad because it is not going to do what we all want it to do. This method will involve a large civil service to administer it. There will be political machinations in connection with it. It is all very well to say that these are going to be designated areas, and not depressed areas, but this manoeuvering has already started. As I understand it, there has already been some political manoeuvring with this segment of the bill.



There are other ways that this could be done better. What is wrong with providing incentives to industry all across Canada, and then additional incentives in these depressed areas? This was the platform of the Liberal party at election time, that they were going to provide incentive to industry not only in depressed areas but right across the country. My Liberal opponent in that election came out and said, "You Tories did not provide the right climate in Alberta. You did not get a pulpmill in Whitecourt." The reason we did not was because the markets were not there and transportation costs were too high. You need some incentive to get that mill in Whitecourt. According to my Liberal opponent this government would do that; but instead it has come up with a very complicated mixture of red tape, and I will be very surprised if it provides any additional jobs at all.

Why not take the direct approach? Why can we not have a simple formula to provide assistance to industry to go into the designated areas? Why can we not have some program designed to increase Canadian participation in industry? There are other things which the government has already done for the designated areas, such as additional assistance under winter works programs and the speed up of government works in these areas. This is fine; we all want to see these areas improve; but this should not be done as a prop or through the form of a subsidy just to keep something going. It has to be something of a permanent nature. There has to be investigation and research to determine that it will be a long term thing, and that it is not just relocation of a plant from one city to another.

When the minister replies I would like to hear him say something with regard to the other methods that are available but which were not chosen. To me it seems a simpler method to give a direct grant to a manufacturer in order to encourage him to go into a designated area, and to provide facilities such as roads and rails.

Another matter which I want to mention deals with the designation of these areas and the criteria used to do so. We have read a long communique outlining how this is being done, detailing so many years unemployment figures and growth rate; but I would point out

that there are areas in Canada which have only recently been settled and which deserve some incentive. The whole existence of some of these more isolated areas depends on one industry, and one of the criteria which should be used in designating these areas ought to be an examination of the industry an area already has, and how to prevent it becoming a depressed area in the future. We can do that by providing encouragement for secondary industry, and this has specific reference to certain pulp towns and mining towns which, if they lose the one industry they have, become ghost towns. As an example I refer to Hinton, in my own riding, which is a pulp town pure and simple, and which has been seeking another industry for many years. I think it should be possible for the government to provide incentives so that it would secure a secondary paper manufacturing industry.

The same applies to many towns in northern Ontario. We have to do more than just take those things which are already there. We have to try to develop policies which will prevent areas becoming depressed in the future.

As I have said, all this government has done in western Canada so far has been to cost us a lot of money. We are paying through the nose. We are paying additional sales taxes, and now we will be paying for these incentives for designated areas. We want to be sure that our money is going to be well spent. We do not think it will now, because there is too much red tape involved, and once again I ask the minister why not make direct grants and provide credit and other facilities instead of doing it this way? The job could be done quicker, cheaper and with less red tape. As the scheme stands at present people are not going to know whether it is worth while for them to do anything at all.

I hope the minister's officials have studied what has happened in other countries and which is the best way to provide these jobs for Canadians. In western Canada we have felt over the years that we have been milked a little bit by the industrial east, and our great ambition is that we become more industrialized. We would like to see some incentive in that direction. There is wide scope for this type of incentive, and something should be done to encourage the manufacture of products presently being imported from other countries.

The government can only go so far in providing subsidies or support to try and make a particular area prosperous, because after all manufacturing must depend on the resources available and the supply of raw material. We have the raw material in abundance in western Canada and many different types of industry could be founded on it.

I want to make it clear we do not mind paying an additional bonus to help the east out. On occasion they have helped us out; but we do want to make sure our money will be spent wisely. When he replies I hope the minister does not refer to the speech made by the hon. member for Northumberland, which was a very general, rambling sort of contribution which did not deal with specific instances or give details of the things that should be done. Instead I hope he will deal with this question of direct assistance to manufacturers.

There is one other comment I wish to make with regard to the anti-American segment of the bill. We in western Canada have been dependent upon American capital to develop our resources. I do not suggest this is an exceptionally good thing, but if it had not come in it is very doubtful whether these resources would have been developed to the extent they have been. We want to be sure that this capital will still come into the country. Of course we would like to see American subsidiaries have some Canadian content as they develop, but we do not want to scare them out because we need their capital for development.

Rather than take a negative attitude by increasing the tax on American money, the government should provide some incentives for Canadians to put their own money into the development of Canada. The positive approach would give us better results in the long term, and I hope the minister will give us some answers in that respect. I also hope he will take into consideration, in his financial manoeuverings over the next little while, that we in western Canada also need some incentives. We are just a young developing part of the country and we want our own industrial complex to provide the jobs which machinery is now taking away from our workers, particularly in the agricultural field. It is just as important to prevent areas becoming designated areas as it is to help them once they become designated areas; and I hope the government will take into account the very important old theme that an ounce of prevention is worth a pound of cure.

**Mr. Gelber:** Mr. Chairman, Napoleon said every private soldier had a marshal's baton in his knapsack. I suppose every private member has a budget inside his coat pocket, which means that there are probably at least 265 varieties of budgets in this house. I should like to say a word in preface about some of the remarks which the Minister of Finance made in his budget speech. It was an important social document. The Minister of

Finance said that it was both the policy and the responsibility of the government to provide for full employment in this country and to have policies directed toward that end. We did not have the provincial governments rushing forward and saying that it was their responsibility. This is a responsibility which the federal government has assumed and this is an important economic and social objective which was enunciated by the Minister of Finance.

There is another aspect of his budget address which has a very important social objective. It is not a major part of the program but certainly it is an indicator of his thinking and a milestone along the road. I refer to the very important provision for the retraining of men 45 and over. It showed an important, social conscience, an objective which can be enlarged upon and a significant departure in the economic policy of the country.

The Minister of Finance said that his budget was expansionist and it is this aspect of his budget and his policy about which I should like to say a few words in light of the legislation now before the committee. I believe it is expansionist. If this country is going to develop we have to encourage an increasing rate of capital investment. We must encourage capital investment. We must assure that we build the plants and factories, the arterial roads, the cities and the whole complex of industrial development.

The budget has provided very important incentives for the development of capital for building the physical plant and the complex in which the economy may develop and prosper. The hon. member for Northumberland, not in a rambling speech but in a very able speech, said that in the policies of the government there were aspects of discrimination. I think that is very true. Discrimination is the choice between alternatives, and the government must select those alternatives which it believes are important for the country and must encourage the development of the economy along those paths.

That is why the government introduced accelerated depreciation allowances. It is encouraging a certain type of capital investment. By allowing depreciation on equipment on a two-year basis the government is giving a most important incentive to investment. Special allowances for particular areas are again discrimination, in the terms in which the hon. member for Northumberland discussed it, in order to improve the productive capacity of slow growth areas. The special incentives offered in designated areas again are an important aspect of the encouragement of private investment in Canada.



It has been suggested that we should copy the policy proposed for the United States, with a tax cut. I maintain that the incentives which the government is providing are in effect an aspect of a tax cut. Instead of across the board incentives, it is providing incentives in several areas to meet special development. This type of discrimination, in terms of the more productive areas of our country, is an important aspect of the budget.

I have some figures here which I think are very revealing. They deal with the relative position of the budgetary deficits in Canada and the United States, expressed in terms of gross national product and adjusted for the two countries in terms of the comparative size. In the year 1960 the United States, in billions of United States dollars, showed a surplus of 1.2. Canada, in terms of Canadian dollars, showed a deficit of 5.8. In 1961 the United States showed a deficit of 3.9 while Canada showed a deficit of 4.8. In 1962 the United States showed a deficit of 6.4 and Canada showed a deficit of 11.1. In 1963 the United States had a deficit of 8.2 and Canada's deficit was 9.9.

This means, Mr. Chairman, that the area for manoeuvring by the Canadian government is that much less. It means we have used up some of that advantage, if there is an advantage, which is being advocated for the United States. We have used up some of that advantage.

There are other aspects in our economy which make our budgetary position less flexible than that of the United States. It seems to me that the government of Canada, in offering these incentives in specialized areas in order to increase the productive capacity of Canada, in order to encourage those areas of the economy which contribute most notably to the gross national product, is following an expansionist policy, and the legislation before us today is an important step along this road.

In terms of investment there has been a lot of discussion about withholding taxes. There is one aspect that has not been mentioned in the house. If the minister is successful in encouraging United States subsidiaries to become public corporations it will provide on the stock exchanges of this country a new series of blue chip stocks. One of the factors which is curtailing Canadian investment in Canadian companies is the limited number of securities in Canadian stock exchanges which can be considered to be blue chips. Some of the prime corporations of the country, some of the most important ones, are United States branch plants and as private companies are not available for direct

Canadian investment. Should the minister be successful by this gentle urging through the withholding tax in having some of these corporations become public corporations, it will open up a very important area for investment by Canadians in Canadian industry.

It seems to me that more can be done to encourage investment by Canadians in Canada. We might take a look at our succession duties and do something along the lines we did some years ago when we gave a 20 per cent income tax benefit. We might give a differential benefit in succession duties to encourage Canadians to hold Canadian equities. We might take a look at our taxing policies in relation to insurance companies in order to encourage greater investment of their portfolios in Canadian equities.

The budget has made important steps in the direction of making the economy of Canada more buoyant and more balanced and giving it the direction and leadership which it requires. In the legislation before us today we have new and important directions in Canadian policies which I believe entitle the minister to the support of the house.

**Mr. Fisher:** Mr. Chairman, I suppose the Minister of Finance is aware that because a point of order was raised when he was speaking on the amendment to the motion for second reading of the bill and because of the tremendous spirit of co-operation that existed in giving second reading to the bill, we really have not had from him the complete review at the second reading stage that some of us had perhaps anticipated. Therefore I would hope that in the relative freedom of the committee he will take the opportunity to do something about it.

I might comment, Mr. Chairman, on how delighted I was to hear the generous spirit expressed by the hon. member for Jasper-Edson. He may remember that a number of years ago the C.B.C. had a satirical program on the various crests and mottos in different parts of the country. The Ontario crest was the three gold balls of the pawnbroker on a black velvet background with the motto, *semper non vaca,* which meant in substance: We are no milch cows for the west. It seems to me that the hon. member should be advocating something along the same line, some kind of golden cornucopia overflowing with wheat in red on a white background. I do not know what motto I should recommend to him, but certainly the generosity of spirit he displayed is the kind of thing that warms the hearts of all of us in Ontario, particularly those of us in areas of Ontario through which the grain from the west passes.

The point I want to speak about relates to something that has been beaten pretty hard, the question of incentives. I should like to be able to accept, with the grace with which the hon. member for Northumberland gave her analysis, her appraisal of what were the weaknesses of the present set-up for determining designated areas. I think this is one of the sloppiest bits of designating that one can imagine. I am not blaming the minister and I am not blaming the new Minister of Industry. It really relates to the weakness of the federal organization in the statistical and economic field.

We have the dominion bureau of statistics. We have the economics and research branch of the Department of Labour. We have certain statistical work being done in the Department of Trade and Commerce as distinct from the bureau of statistics. Yet in none of these agencies have we really had any concentrated work upon the problem that is involved in determining designated areas.

I can give some excellent examples from my own region to point out the injustice of this particular kind of designation. I would fasten the blame, and I think some blame should be fastened, on the people who were in charge of the Department of Labour in the past, including the senior officials and the minister, for their failure to give the economics and research branch an establishment and directives to go out and collect the information. There is a certain irony in the fact that the best series of statistics and the best analysis we have had of the whole problem were provided by the Senate committee on manpower a couple of years ago. Much of the material was ad hoc to the situation at that time, and this body of material which was established seems to have faded away. At the present time we have a crash program in the Department of Labour to try to meet the situation. The Minister of Industry and his deputy are recruiting as quickly as they can a whole group of people to undertake the assignments set out by the act in the determination of the national effort of area development. When you look at the formula which has been developed here for designated areas, they have nothing to start with in terms of a really precise or flexible economic tool.

I should like to give a couple of examples to show this in relation to my own area. I would argue to both ministers involved—there is really a third minister as well, the Minister of Labour—that the age composition of an area's population is a much more important factor to be considered than just the number unemployed during the summer months. It seems to me that what we want to be concerned with in addition to age composition and the resultant number of people who will be going into the labour force is the

possible mobility of certain regions in relation to other regions where there is a better growth potential. One of the specific things we need to know is more in terms of, you might say, individual watersheds of industrial production. We need to know much more about the effect of the establishment of a new plan upon the real growth in a number of jobs.

One of the things which is really ridiculous in relation to my area is that we have made a study, a study encouraged by the federal Department of Labour, although two years ago they were not able to give us any statistical help or the help of any economists. We were not able to get statistical help from the provincial government either, because it was no better fixed—probably worse fixed—in this field than the federal government. We established a commission of an informal kind which was taken quite seriously. It published its report and we now know how serious is the situation. Yet we could not possibly come close to qualifying as a designated area because of the peculiar kind of economic base which we have to our industries.

One of the things which has happened in the woods industry over the last five or six years as a result of the introduction of mechanical techniques is that more and more wood is being cut in the pulp forests in the summer instead of in the winter. As a consequence of this, the summer, which used to be a slack period in terms of bush work, is now a busy period and the winter is the tough period. The winter is also a tough period in terms of people who work in the transportation industry and the grain trade.

This particular transition or change in the woods industry is not really reflected as yet in the statistics under which designated areas are worked out, yet it is a fundamental fact that it is one of the flaws in our economy at the present time. We have a tremendously high number of unemployed in the wintertime. In the summer things go relatively well. We happen to be an entrepot of the west and most of the big traffic from coast to coast goes through because of the fact that we get this summer work in the woods cutting the pulp for our paper mills.

The situation as determined by our northwestern Ontario commission on employment is a rather grim one. It may be put this way in very simple terms. They say that between 1951 and 1961 the twin-city population increased by over 25,000 persons. In other words, we were really in on that great big boom in the early fifties. Young people came in and married, a lot of homes were established, and we are now being flooded by school construction to meet the burst of children in the high schools. Yet although we should be planning and taking advantage of incentives to meet the problems two, three and four years ahead when these people go out into the market, because of the particular statistical base used for this formula we will not be able to take advantage of these incentives at all. This report points out that our population has increased by 35 per cent and that job opportunities have increased in that period by 12 per cent. The immediate result has been an increase in unemployment, particularly since 1956. There are about three times as many unemployment insurance registrants now as there were in 1956, and over six times the number in 1951. The population increase will have its major effect on employment between 1963 and 1970. Here is the point: our crisis is almost on us, but it is not reflected in the present statistics. Yet now is the time in all reasonable terms to establish plants and receive the incentives offered those kinds of projects to get under way. We really cannot get any advantage out of this present formula. The report goes on to indicate that by 1966 there will be at least 1,200 extra job seekers coming each year from the schools. Our present rate of increase in jobs is about half the required rate. It is obvious that our most strenuous efforts will be necessary to meet the employment problems of the sixties, the report concludes.

The hon. member who lives in Guelph—I have forgotten the name of his constituency—raised cain about the problem of Brantford compared with Guelph and Galt. I have some sympathies with him, partly because of the fact that Brantford, if it is an area which can be properly designated, happens to be a fairly concentrated industrial region, where areas are short. On the question of labour mobility, what are we going to do in Port Arthur when people cannot get work and there is also nothing in Fort William? Your nearest industrial centre is 500 miles west to Winnipeg, or 850 to 900 miles to the east down to Toronto or over 600 miles to Sudbury. This is a terribly difficult factor in terms of encouraging people to move and to exchange. As a matter of fact, the mobility in our region has been very high. One of the reasons is that we happen to have the kind of people who came in and settled fairly recently in our area, and who are prepared to go out and look for jobs. Therefore they will head out. But this is going to become much more difficult for these young people, particularly the ones coming along who are not going to be able to take advantage, perhaps because of a lack of talent, of some of the more attractive opportunities. I do not know what we are going to do with these people,

and this legislation will not do them any good either. This is one of the main criticisms which I have of the designated area formula.

The other criticism I have again relates to the complete unselectivity of our area. The town of Geraldton is 125 miles away from Port Arthur, deep in the northern Ontario bush. Yet it is in the Port Arthur district. The town of Geraldton has a population of 5,000 people. I want to take another town, the town of Sioux Lookout in the riding of Kenora-Rainy River, which has a population of a little over 2,000 and is about 150 or 160 miles from Kenora, which I understand is the district base for the figures used in the formula. Neither Geraldton nor Sioux Lookout has added any considerable growth in job opportunities in the last decade—particularly Sioux Lookout. I talked to one chap who recently established a lumber mill in Sioux Lookout and he was quite bitter about this legislation, or the intent of it, because of the fact that he will not have the opportunity really to apply it in a tough town, tough in employment terms, which I am sure will probably meet this particular situation, because the town happens to fall in another district. The same applies to Geraldton.

There is one other factor which is not looked at in relation to this formula, and again it comes back to the question of mobility. Sioux Lookout happens to be my home town. The job opportunities have not grown there at all; they have diminished and diminished. But the young people have moved away, and the fact they have moved away gives a false picture in terms of the opportunities of the formula used in terms of growth. It is for this reason that I feel we must request a crash effort on the part of the Department of Industry in particular to make this designated area formula more flexible, and it must take into account more factors than it does at the present time.

One of the advantages which would be gained if this was done, it seems to me, is that we would overcome the psychological block involved in this designated area-depressed area idea. It seems to me that if the formula were more sophisticated there would be less hesitation on the part of groups such as chambers of commerce to see their area designated, and there would be a tendency for them to take a closer look with a deeper insight into the problems of their areas in economic terms.

The last point I want to make in relation to this is one of the most galling features of the federal structure in a federal society. I could give as an example the difficulties we encountered in trying to get this commission started, to obtain support for it and to get a report out. The hon. member for Fort William will, I am sure, agree with me as to the problems we encountered. Businessmen and people in public life in our area were concerned about the tremendous burgeoning of young people in our schools. We could see there was struggle ahead and we decided it was our responsibility to face the situation and do something about it. We went to the provincial government. They said: we do not see any way to help you; you should see the federal government. So we went to the federal government. We sent delegations down and we pounded on a number of doors. The Minister of Labour said: Don't come down here and tell me things are wrong; tell me what is wrong and what you want me to do about it. We responded to that challenge and we began to prepare some material. We needed sophisticated help; we needed the help of some expert economists. But we were able to get the help of one economist from the Department of Labour for a week or ten days, only. We managed to scrounge some funds from one of the provincial agencies and for that we were very grateful. But here again the help was very limited. The province could not come forward with any real assistance as far as statistics were concerned. They are not set up to provide this kind of assistance and there seems to be little indication that they are moving in that direction in Ontario. When we finally got our material prepared, we ran into a difficulty which is inherent in a private effort to get at the roots of the trouble in an area. A number of the people who had shared the work of the commission or who had contributed to it were very discouraged by the prognosis which was reached. They felt that if it were divulged in detail a great deal of harm would be caused to the future of the area. I did not agree with this view. It was not my wish to complain, but I felt one should face up to realities. However, I could understand why they felt the report should be played down. In the event, it was played down and this report never had the impact which could have been expected. But no wonder they played it down. We gave the report to the federal authorities. We said: Here is what we have found; here are our recommendations; what can you do about it?

What did we find? We met with weeks and months of silence. I believe the hon. member for Fort William made various representations. I telephoned, wrote and badgered. Finally, we got out of the deputy minister of the Department of Labour one of the cagiest letters I have ever received, expressing a tremendous amount of sympathy but no real response. In essence, he commended our recommendations but said there was nothing to be done about them. This, to my

mind, illustrates the sad state of economic analysis and the tools we have available to do something about the intentions of the government in this field, good as they may be. I think this press release which the Department of Industry put out amounts, really, to a tremendous condemnation of the educational system of our country, or the civil service of this country, or of this expertise we are supposed to have built up, as we have created this huge civil service. I am sure that if we were to take this proposal to the United States, to some of their economists, they would choke on the formula which has been advanced, because of its rudimentary, primary character.

I am not put up by my party to try to amend this particular proposal for designating areas, but I should like to do what a number of other members have done, that is, to appeal for something immediate, something quick, to convert what is one of the rudest rules of thumb I have ever seen to something that is more useful and more understandable than this formula—something which could be applied to many more areas so as to take care of a number of variables which this press release and the statement by the minister seem to have ignored almost completely.

**Mr. Greene:** I should like to align myself with the hon. member for York South in saying that the budget, which is the precursor of the bill we have before us tonight, will go down in the history of this country as a most important document.

I think it will be remembered largely as showing for the first time the road which I think Liberalism will take in the future. This involves not only what is encompassed within the budget but what is contained in ancillary bills such as the measures setting up the Department of Industry and the economic council. These measures, taken together, indicate I think that in the future this party will devote itself to massive intervention of government in the direction of business and industry for social ends. I think this type of Liberalism has been propounded in the United States very largely by Professor Galbraith and is known there as Galbraithian liberalism. I think this is the first example in Canada of bold Liberal intervention in what was formerly a sacrosanct precinct of private enterprise. I think, also, that in a few years this may lead to something which has been badly needed in this country for many years, namely a clear and definite distinction between the two old parties in this house. I suggest that the party of hon. gentlemen opposite, from the speeches I have heard and, quite properly, by virtue of its historical background, is more inclined to shy away from this type of intervention into the private sector of the economy.

The Leader of the Opposition has often championed the supremacy of the individual. He has often expressed fears about the intervention of government in business affairs because of the fact that it might encroach on the rights of the individual. I am not one who has ever scoffed at this very genuine fear. Yet I think we on this side have determined to face this challenge and accept the fact that it is necessary for government to intervene for the sake of achieving the satisfaction of certain social needs and purposes. I think possibly that in future years this will be one of the great distinctions between the two major parties, the one favouring massive government intervention for social purposes and the other, possibly, favouring a more restricted type of private enterprise with less government intervention. If the parties could divide on these lines I think it would give the electorate a much clearer choice between the parties than has been the case in the past and I think it would be to the political advantage of the nation as a whole.

With respect to the members of this house I think also it might be an advantage, because certainly the massive intervention of government in business and industry and in what were formerly purely private affairs will be a challenge to see to it that these new encroachments of government do not impair the rights and liberties of the individual to too great a degree. It may be possible that in future years it will be the role of the private member to guard zealously against the encroachments of the rights of the individual during this new march of government into an area which was formerly an area of private affairs. If that be the case, that, too, will be to the good, because it is possible that this house will become something more than a private theatre which plays a little act every day before a select audience in the press gallery, which is apparently its main purpose of existence today.

Having stated that proposition, as a member of the party which sits on this side, may I say I agree 100 per cent with the general premise that it is time the government intervened to a very large extent in business and industrial affairs, as the budget and the other bills which I have associated with the budget, are set up to do. However, I must confess that, though I support these measures generally, and support this party, and believe very sincerely that its leadership is exactly what is needed in this country today and is the best possible leadership available, I still

do not agree entirely with the details of the measures presented. I am familiar with the precepts set down by Mr. Edmund Burke which are probably those followed by most hon. members. I may say these precepts are so highly regarded by the hon. gentleman in the other place who sometimes writes editorials for one of the Ottawa newspapers, as to be held almost sacrosanct. Burke would say that having encompassed a belief that a bill is for the good of the country as a whole, a member is not a delegate of his constituents but was in parliament to do as he thinks best for the nation as a whole. That was the gist of his great Bristol speech. If we accept that principle then, at this time, I should have to sit down.

However, Mr. Chairman, I believe that in a federal state such as ours a member is to a far greater degree a delegate of his constituents than he is in a unitary state such as Great Britain. I do believe that even though a member may agree with the legislation and with the leadership of his party, he does have a duty to speak for his constituents. When he is a member of the government party, this is always a difficult choice, the choice between duty to his constituents and loyalty to his party. I feel it my duty to point out to the minister, and I hope that my words may have some effect, the slight defect in the measure. as compared with the measure as a whole, which affected my constituents.

I refer in particular to that provision which is, to some degree, to the detriment of my constituents, relating to the designated areas and the manner in which those areas are selected. I appreciate fully that this is something new, a new approach in keeping with the policies and philosophy of this government. They have moved boldly into a new field, and in so doing they have been honest enough to admit that at times they have not achieved perfection overnight. I suggest that in this area there is room for improvement, there is room for development. I am going to take the liberty of suggesting an area in which there is room for improvement. I think the method by which these designated areas have been selected has, at least in isolated instances, brought inequity to certain municipalities. I point, in this case, to an editorial in the Renfrew *Advance*. It is the follow-up of a great deal of editorial and news commentary in the newspapers in my riding. While I do not hold a slavish respect for the press, at times they are right. I suggest that this editorial is a correct one. The editorial is entitled, "Depressing", and reads in part as follows:

> The "distressed area" legislation planned by the federal government has, like many programs of this government, run into criticism. And whether or not the legislation is any good, very obviously, the reasoning whereby the slow growth areas were chosen for special assistance in Renfrew county are downright silly.
>
> As pointed out by industrial commissioners here "if Deep River is a depressed area, then Renfrew is a ghost town".
>
> Deep river, of course, falls within the national employment area centering on Pembroke but it is obviously not a community desperately in need of special tax assistance as proposed by the legislation. Yet it qualifies for special assistance and tax concessions.
>
> It is probably difficult to define exact areas of need but statistics or not, we cannot see how Renfrew county can be divided into two areas, one prosperous and the other depressed. It is just not possible.

I suggest that the rules of the game, as they were conceived, resulted in just this situation. We certainly have a contradiction here. For instance, the municipality of Deep River, which as hon. gentlemen know is the home of atomic energy projects, probably never had any unemployment. On the other hand, the town of Renfrew has striven valiantly to attract industry. It has appointed industrial commissions, hired industrial commissioners, and has done everything possible to attract industry. It is not easy to attract industry into areas such as the Ottawa valley. I point to the statistics which show that in the year 1894 the population of the town of Renfrew was 2,568; in 1901, 3,153; 1930, 5,019, and in 1962, 8,555.

I suggest that this surely indicates better than any words of mine could that this is a slow growth area. When this legislation was promulgated it was obvious that some means had to be found whereby these depressed areas might be defined so that the benefits of the legislation might be given as soon as possible. It was equally natural that the standard to be used would be the unemployment insurance areas or the national employment service areas, as I think they are properly described. This was a standard that the Department of Labour had used, and with which they had been working for many years.

However, these areas had not been set up in the first place as a means of deciding whether or not an area would get tax incentives. This consideration had not entered the matter at all. Often the areas grew up haphazardly. There is a possibility that some of them grew up through political considerations, or as a result of the facility for travelling for unemployment insurance officers. However, now they are being used to determine who gets the benefits. Inequities are bound to result from this situation, but I hope such instances are isolated and I believe they are.

We must bear in mind that over the past 15 years there has been a tremendous competition, certainly in the province of Ontario, among urban municipalities, small and large, for industry. This had nothing to do with the unemployment insurance areas. It was the municipalities themselves that were competing with one another for industry. Now that we have chosen the unemployment insurance areas as a standard, the result is that some municipalities are preferred over others and in many cases the one municipality is equally as well off as the other by any other test, except the specific test we apply of these unemployment insurance areas. I have cited one example, the municipality of Deep River, which is undoubtedly one of the most prosperous in Canada. It is now in a designated area and entitled to tax incentives. The town of Renfrew, however, with many unemployed, with plants closed and without industries that were once thriving, has been found to be unworthy of incentives. I suggest that there were bound to be some of these areas in which mistakes were made as a result of setting up a definite, immovable, set of statistics as the only guide.

In my humble submission, I think the task of selecting areas is closer to a judicial task. We deplore ad hoc decisions. Let us set up a tribunal to decide each case on its merits. There is a tendency for top level civil servants to fear political interference in such a case. Surely, there are areas in which this type of decision must be made on the merits of each case by an impartial tribunal. I believe that in this land we have grown up to the point that we could appoint that kind of tribunal, if need be, and that kind of tribunal could operate without fear of political interference. This type of tribunal, in making its decisions, would not be bound by eight years or three years. I do not see how you can say with certainty that it is only the statistics for eight years that decide whether or not a community needs help. I have cited these statistics to show that this is one of the older, settled parts of Canada which has grown almost imperceptibly in the last 50 or 60 years. In the case of this municipality the test is, has it not been a slow growth area for 50 or 60 years and not just eight years? Unemployment is not the only test.

In so far as these statistics are concerned, it is difficult to determine what percentage of the unemployment was industrial. We have had to include construction workers, workers in hospitals and in old age homes, people of this nature, who are not separated from industrial workers in the statistics kept by the Department of Labour. The whole purpose of the legislation, of course, is not related to people who work in the service industries, but is to encourage industrial growth.

I suggest that to some degree we have used the production of oranges to determine whether we should grow bananas. I think in so doing in isolated areas errors have been made, and I submit that the Minister of Finance, as I know he will, and also the Minister of Industry, as was inherent in all their speeches on these matters, will see to it that there will be a continuing review held so that a second, third and fourth look may be taken at some of these areas where inequities have resulted. I am sure every attempt will be made to right the wrong so that with two municipalities, one as poverty stricken as the other, as is the case between Pembroke and Renfrew, 40 miles apart, one will not suddenly lose all hope of getting industry which now will go to the other. I have every confidence, from the leadership that this government has shown, that inequities of this sort will be reviewed and righted in the not too distant future.

I would like to point out one other thing to the minister in this regard. There is another area on behalf of which, as the delegate of my constituents, I would like to register a complaint concerning this incentive type of legislation. It concerns the quasi rural areas. I do not believe that in those areas the incentives of quick depreciation and tax incentives alone will bring new industrial growth and employment. I think there are areas where a very special type of aid, possibly capital grants, possibly some other type of help, will be needed if the people in them are to have the opportunity of employment and share in some degree in the growth of this great land in the future.

We have seen that this government implicitly approves of that type of thinking by virtue of the fact that it has given $100 million in capital grants to the Atlantic provinces, where that type of special help, over and above these incentives, was needed. The only problem is that the maritime provinces are a large area. They were able to bring strong representations before this house, both to this government and to the previous government, to sell their needs. In addition they have had powerful cabinet ministers in office, both with the previous government and this government, who were able to sell the needs of the maritime provinces. But isolated areas, whose need I submit is just as great, areas such as those in the west end of my riding, are not able to muster this large group power to show their needs. They are not able to do much more than send one inept voice to this house in order to plead their cause.

In this regard I would point to a few more statistics. The west end of my riding was great lumber country at one time, but now the timber resources are depleted and nothing has come to take their place. I do not think anything will come to take the place of these resources, unless the government helps in some way, and I would point to a few statistics with regard to the west end of my riding to show the need in that matter.

Again we are dealing with one of the oldest settled parts of Canada, close to our great national capital, which one would have thought would have developed and shared in the growth of the country by its very proximity to the national capital, but such has not been the case. In 1930 the population of Eganville was 1,026; in 1962 it was 1,490. In 1930 the population of Killaloe was 560, and in 1962 it was 905. In 1937 Barrys Bay had 1,051 people and today it has 1,442. In 1861 the towns of Brudnell, the townships of Raglan, Lyndock, and Radcliffe had 1,023 people. Today they have 971 people.

The people in this area have largely stayed there. They are third and fourth generation Canadians, most of them of Polish descent. I know there is a great emphasis today, as there must be in our economy, on efficiency, and efficiency dictates that these people move to the metropolitan areas where, for the purposes of efficiency, great industrial plants exist. Efficiency dictates that they get out and leave their homes, but it is the tradition of this party that we do not expect people who wish to remain in their homes, who have stayed in them for three or four generations, to leave them merely for crass economic reasons.

I would point out that these people are efficient people. During the war we had an aircraft industry which came into the outskirts of the area I have been speaking of, the outskirts of Renfrew. I spoke to the head of one aircraft plant, a man who came over from England and who had been running an aircraft plant in England for many years. I asked him how did these people, these Polish people from the west end of south Renfrew, fit into an aircraft factory. I thought they might have been square pegs in round holes, but he told me that in all his experience he never had people more adaptable or who became more quickly expert and efficient in the aircraft industry, even people in Great Britain who had worked in that industry for many years. It was bound to be that they would be self-sufficient and adaptable, because anyone who has scratched out an existence in that country for three or four generations has had to be adaptable.

I suggest, Mr. Chairman, that in these areas we will not only serve these people well but we will serve Canada well if in some measure we develop larger scale incentives for smaller areas such as these, in just the same way as we have seen fit to do for the Atlantic provinces. Just because these people are not in large areas and cannot speak in great and powerful groups, it does not say their need is not the same. Their problem is the same and if there should be, as I agree there should, $100 million for the Atlantic provinces, then there should be similar incentives for areas such as the west end of south Renfrew, which for a period of 100 years has gone forgotten and ignored.

I would that these Polish people had their own Chopin to play a polonaise today to persuade this house of their needs, because if the Polish people in the old country have suffered over generations under the heels of oppressors, surely our Polish people here are suffering just as greatly; because it hurts just as much to die through 100 years of economic attrition as it does under the heels of an oppressor. I urge that the minister take a second look at some of these areas which are in need of very special incentives, and I may say I am sure there are many others of a similar type all across Canada.

**Mr. Stenson:** Mr. Chairman, I feel compelled to say a few words on the amendments to the Income Tax Act outlined in Bill C-95. I have refrained from speaking as often as I should have, but this legislation affects my constituency as well as many others to such an extent that I feel obliged to say a few words about the act and the proposed amendments. I am referring in particular to section 15.

I would like to congratulate the hon. member for Renfrew South on the statements he has just made. I have always felt that a good many members on the government side must be disturbed about this bill. When the Liberal government selected the depressed areas on the basis of unemployment figures for the summer months instead of the more important winter months, it is apparent many of the designated areas would not have qualified for this special attention if the figures had been taken for the winter months.

I think it was entirely unfair and extremely unrealistic for the federal government to try to design any formula to control the basic trends and developments which, in the course of events, could be rectified by the law of supply and demand. This new action the government has instigated will confuse the issue further through the movement of industry from stronger industrial centres to those designated as distressed areas. This movement will develop new areas of labour distress and in all probability will not solve

the problems of those areas which are designated as being in need of new employment opportunities.

The employment figures in Peterborough and other cities that enjoy increased summer activity due to the tourist influx are raised by this activity which lasts only a few short months. This type of employment does not demand a high wage scale. I would not suggest that Peterborough be included among those cities designated by the federal government as distressed areas. We listened to the hon. member for Northumberland make a very good speech last Friday. I know she would not want to see Peterborough designated as a distressed area, nor would I want to see her constituency designated as a distressed area. But this is what is happening in western Ontario around Windsor and Brantford. Cities that have hired industrial commissioners to tackle this problem or which have set up strong committees within their own councils or chambers of commerce are going to find this a hazardous blow to their communities.

Mr. Karl B. Hines, president of Nashua Canada Limited, wrote a letter to the Peterborough *Examiner* several weeks ago noting the hazards of the depressed area legislation from an industrialist's point of view. He noted that a difference of 130 jobs put Brantford in the depressed area category but kept Guelph out. As the Peterborough *Examiner* comments:

> Soon after this was revealed, Magnetic Metals of Canada moved from Guelph to Brantford to take advantage of Brantford's preferred position. Its departure could conceivably put enough people out of work in Guelph to qualify that city for depressed classification, and its arrival in Brantford may reduce the unemployment population ratio below the depressed level.

All the legislation is doing is shifting jobs rather than helping to create them. I am only mentioning this to show that areas other than western Ontario are worried about this legislation.

I should like to ask the Minister of Justice if he discussed the planning of the new penitentiary at Warkworth with the Minister of Industry and why he did not place it in a depressed area. I am very happy that he picked Warkworth, which is in Northumberland riding, but it bothers me why the government did not see fit to have it set up in a depressed area, for this is what he is asking private capital to do.

I should like to ask the Minister of Public Works where he is going to build the new Royal Canadian Mint. Maybe the hon. member for Renfrew will receive this new building.

[Mr. Stenson.]

To come back to the question of industrial commissioners, I should like to ask the Minister of Industry or the Minister of Finance what help the government is recommending for these commissioners or new industries not contemplating moving to depressed areas. I am told that commissioners trying to secure industries for their particular areas are met with a blank stare and aloofness when they confront members of the government in Ottawa to inquire about federal aid. They are told that new industries should go to the designated areas.

I realize the concern that is prevalent in western Ontario but I can say quite frankly that this same concern, no matter where you go, is felt all across Canada. The formula which is being used shows that a difference of a few tenths of 1 per cent in the unemployment ratio to population is all that is required to bring an area into the designated class and at the same time leave out other areas. If a complete and more realistic analysis were made of the situation, it is entirely probable that Peterborough would be found to be in the same situation as Brantford. A complete section appearing in the *Financial Post* a few months ago on the city of Brantford indicated that they were experiencing unprecedented development in the growth of their existing industries and the arrival of new ones.

I would ask the Minister of Finance and the Minister of Industry to reconsider seriously the legislation which they have introduced because I feel that the 50 per cent straight line depreciation which is being allowed companies that are settling in designated areas should be extended to all types of industry, whether or not they are controlled by foreign interests. If this were the case it would provide an incentive for all types of industry, no matter how they are controlled, to expand their production activities and thus provide additional employment opportunities.

We in Peterborough feel that the industries already located there should have as much consideration when they expand or increase their productivity as new industries are being offered at the present time. Why should they not have the same advantage as competitors? I feel the same way about this matter as the hon. member for Wellington South. The clause pertaining to industry should be withdrawn, as it makes for a most discriminatory piece of legislation.

Before I sit down I should like to point out to the Minister of Finance the increased trade this country has received and is still receiving due to the aggressive steps taken by the former minister of trade and commerce. This was accomplished by one man

and the staff in his department. One cannot help but wonder what the outcome will be, now that the Liberal government has set up its Department of Industry. We know about the great numbers of staff they are accumulating to deal with these problems, at a tremendous expense to our country, and we wonder whether the results will justify this expenditure when so much was accomplished by so few under the last government.

**Mr. Gordon:** Mr. Chairman, in rising to answer some of the questions that have been raised on clause 1 of the bill perhaps I may be permitted to deal with one or two of the questions that were raised earlier in debate. Before doing so may I say I am sure the Minister of Trade and Commerce would join me in agreeing with the hon. member for Peterborough that the ex-member for Broadview, who at one time was minister of trade and commerce, did do a good job. I should like to see him back in the house some day.

Many suggestions have been made during the course of the debate about ways to improve the Income Tax Act and, as I said earlier today, the officials of my department are making notes of all these points. I am thinking particularly, as I said earlier, of the point made by the hon. member for Quebec West and others about charitable donations. I am thinking about the point made with regard to deductions for part time students and a number of other suggestions that have been made for concessions and assistance to various worthy groups in our society. These will be recorded and they will be studied and considered before the next budget.

I do not think it would be profitable to repeat the remarks I made at the outset of the debate on second reading, which was over two weeks ago, as to the objects and the purpose of the bill. If I may, I would, however, like to refer to one or two of the speeches that have been made. If hon. members will cast their minds back a couple of weeks they will recall the interesting and wide ranging speech made by the hon. member for Nanaimo-Cowichan-The Islands in which he discussed, among other things, the whole process of budget making. He also referred to the effect that the United States interest equalization tax might have and suggested that Canada might take the lead in finding a solution to the international balance of payments problem. I can assure him that Canada is prepared to take an active part in the studies on international liquidity that are now being undertaken by the international monetary fund, and by some of the more important countries that are associated with that fund, including our own.

On other occasions both the Prime Minister and I have referred to the preparation of the annual budget, the way it is proceeded with in Canada and ways of improving it. There are those who suggested that they prefer the United States system under which the administration makes proposals to congress which are debated fully before the final legislation is decided upon. There are advantages in that approach and there are also disadvantages so far as tax changes are concerned. I suggest that it gives ample advantage, perhaps too much advantage, to powerful lobbyists to block measures which, while perhaps advantageous to the public as a whole, would be restricting the privileges and preferences of certain interest groups. In any event, our system of government is quite different from that of the United States. We do not have the same separation, as all hon. members know, of the executive and legislative arms of government, and for this reason I suggest that their system would not be appropriate for us.

It has been suggested that we should hold public hearings prior to the presentation of the budget and solicit suggestions and proposals in this way. We have given a lot of thought to this. If it were done it would be necessary to create some sort of board or permanent commission of officials to receive representations and have them argued out before that board or commission. I have not been able to think of any way to do this which would not involve considerable duplication and overlapping of functions and administrative machinery. I suggest that periodical public debates and representations from interested groups can be extremely valuable.

Usually, in our country royal commissions are established for that purpose; and I would remind hon. members that the royal commission on taxation is holding hearings at the present time and will probably go on doing so for some months to come. However, I do not believe that some kind of permanent royal commission would be helpful. I do not quite know what the answer is, although I think the question deserves a great deal more thought and study. In the meantime I should like to take this opportunity to invite special bodies, such as the Canadian Labour Congress, the Canadian Chamber of Commerce, the Canadian Federation of Agriculture, the Canadian Manufacturers' Association, the consumers groups and all other interested groups and associations, to submit their annual presentations to the government as early as possible, and in any event not later than January 31 of next year. I should like to extend a similar invitation to any individuals who may have representations which they would like to submit. In this

way there could be at least some public debate of the proposals which these main associations wish to put forward well in advance of the time when budget decisions are made, and I propose to write to all the principal organizations to this general effect.

A lot has been said during the course of this debate about designated areas, and I would again, with respect, refer hon. members to the speech made the other day by the hon. member for Northumberland. I do not think anyone has suggested that the formula proposed is perfect. A number of criticisms of it have been made. I think it should be remembered, as has been said, that the formula will be subject to change and modification. On the other hand, I suggest to hon. members that if we wait until we get the perfect solution to this or many of the other proposals included in the bill it will be a long, long time before we accomplish anything; and with the greatest respect I suggest that we will make more progress if we proceed with the measures which have been proposed, even though some of them may not be perfect. Then, as we discover through experience their defects, if there are defects, we will proceed to amend them and improve them.

I do not think it would be helpful at this stage of the debate to deal with all the questions which have been raised on the detailed items included in the bill; I think we will make more progress perhaps if we do that when we come to the relevant clauses. However, I should like to deal with a number of the points raised by the hon. member for Edmonton West in his speech the other day, some of which he made before, during the debate at the resolution stage. The hon. member raised the question of the desirability in certain of these clauses to place the emphasis on residence rather than citizenship. This arises in connection with clause 28 which deals with Canadian ownership and control. The hon. member's remarks concern the rule which refers to ownership of 25 per cent or more of the shares of a corporation by individual residents in Canada and to the rule that 25 per cent of the directors must be resident in Canada. The Canadian Income Tax Act taxes on the basis of residence. This concept is well established and understood. To introduce a test based on citizenship would, I suggest, introduce a completely new concept into the Income Tax Act. Moreover, such a rule would require corporations wishing to qualify as Canadian under the 25 per cent share ownership test to inquire into the citizenship status of—perhaps the hon. member did not mean of their shareholders, but at least of their directors.

[Mr. Gordon.]

I have some reservations about this proposal. Residents of Canada have to have homes here and are part of the Canadian community. There is no guarantee that a citizen in the technical sense would be less likely than a resident who is not a citizen to participate in the arrangements based on trustees and nominees of owners to which the hon. member referred. I think in particular when I say this of many of the new Canadians who, for one reason or another, are not yet Canadian citizens in the legal sense but who nevertheless are making a great contribution to this country. I do not think anyone would wish that they be excluded from consideration in these matters.

The next point that the hon. member for Edmonton West raised had to do with associated companies. I think he has raised the same point on other occasions. He suggests that the rules concerning association of companies discourage the successful businessman who controls a company from investing in new companies, because the company he owns and the new companies would then become associated. This association would come about only if the businessman takes a controlling interest in the shares of the new company, which the hon. member suggests is usually necessary. I suggest that the hon. member for Edmonton West is arguing that if a successful businessman puts his money into more than one company, all the companies he controls should enjoy the lower rate on the first $35,000 of taxable income. I suggest that acceptance of this proposal would lead to allowing all companies, or a great many companies, to take the lower rate on the first $35,000 whether associated or not. The lower rate on the first $35,000 of company income was intended to help small businessmen. It is not intended to provide a tax concession to businessmen who hold a majority interest in a number of companies.

The hon. member has argued that the minority shareholders in the associated company are penalized by reason of the association rule. But this is the result of giving control to a person who controls other companies and who chooses to allot the benefit of a lower rate to a more favoured company. The amendment in the bill does not change the principle or intent of the law concerning companies; it is only intended to strengthen the present rule, which has existed for many years, that only one of a group of associated companies shall be allowed the benefit of the lower rate on the first $35,000 of taxable income.

The next point raised by the hon. member was in connection with the ownership of assets for purposes of the new section 71A.

He referred to the requirement that 95 per cent of the assets owned by the taxpayer must be in the designated area, and must be new if the business is to qualify as a new business. The hon. member seemed to suggest that the word "own" or "ownership" should be defined. I am not at all sure that that word can be defined for this particular purpose. I suggest to him that there are well established tests and rules concerning ownership and that it is not necessary to define this concept for other parts of the income tax law. Capital cost allowances are granted to owners of depreciable assets and the Department of National Revenue has not experienced difficulty in determining who is the owner of property for this purpose. The same rules would apply in connection with this section.

I should like to mention one other point which was raised by the hon. member for Edmonton West. He posed the question whether the coming into force of this bill would terminate article 11 of the Canada-United States tax convention. There can be, no doubt that the increased rate of 20 per cent is not imposed until it is actually withheld from dividends. Article 11 of the Canada-U.S. tax agreement is specific in saying that tax must be imposed. It was desired to give advance notice of this change in the tax rate and the effective way to do this is to pass the necessary legislation now but to provide for it to go into effect at some future date. The date provided is January 1, 1965. Not only does this arrangement give companies time to rearrange their affairs if they wish to do so, but it also provides time for negotiations to be entered into with the United States with a view to the revision of the Canada-United States income tax convention to take account of Canada's new tax policies and the special circumstances which have made these changes desirable. Preliminary steps have been taken in connection with these negotiations, but obviously they cannot proceed very far until the tax changes proposed by Canada have been enacted into law.

I think I said that was the final point raised by the hon. member for Edmonton West with which I wanted to deal. However, I should like to say a brief word about the remarks he made in connection with the right of appeal from ministerial rulings relating to dividend stripping. With respect, I disagree with the hon. member's interpretation of the effect of this section. The bill gives the tax appeal board or the exchequer court a specific right to vacate the direction of a minister if the board or the court on consideration of the relevant facts reaches a conclusion which is different from the conclusion of the minister. In arriving at this conclusion, the relevant facts may be reviewed and findings made thereon.

I do not like being in the position of proposing new discretionary power for my colleague the Minister of National Revenue, but we are confronted with this situation: there is a wide open loophole in the tax law as it stands at present. The royal commission on taxation has not yet reached a conclusion as to how it might best be dealt with. I had lunch with the chairman day before yesterday. So we face this position: We can leave things as they are until the royal commission has considered the subject and reported, or we can close the loophole now and stop this milking of the treasury though not in the way we would, perhaps, prefer to do it—an effective way, notwithstanding, and a way we would hope to change as soon as the report of the royal commission has been received, provided a satisfactory alternative is recommended. It seems to me we are confronted with two evils, but that one of the evils is a lot worse than the other.

I should be glad to deal with the various other questions which have been raised by members of this committee as we come to the appropriate clauses in the bill.

**Mr. Woolliams:** Before the minister proceeds, may I say I think the hon. gentleman will agree with my contention that, once ministerial discretion has been exercised judiciously, it is very difficult to get that decision upset on appeal. Once the minister or, in fact, the department, has exercised its discretion it is very hard to upset the ruling, provided the discretion has been exercised on the proper facts and exercised judiciously.

**Mr. Gordon:** If it has been exercised judiciously on the basis of the proper facts I would have to agree with the hon. member that it would, indeed, be difficult to get the decision reversed. But what is the alternative? Should we leave this door wide open until we have a report from the royal commission, or should we do something now to close the loophole? That seems to be the dilemma we encounter.

I was about to say that if members of this committee would not think it unusual or improper I should like to venture an observation or two about clause 1 of this bill. This particular clause—and I suggest hon. members might like to read it, or look at it—is designed to plug a loophole. The amendment is to section 5 (1) (a) of the act which requires that income from employment including value of board, lodging and other benefits received by virtue of the employment must be included in an employee's income. An exception is

provided for benefits received by an employee from his employer's contributions to certain insurance or retirement plans, such as a registered pension plan, a group sickness plan and, as the law reads at present, to a group life insurance plan. The amendment inserts the expression "group term life insurance plan" in place of the present words "group life", in this list of exceptions. The effect of the amendment is that the benefit derived by an employee through his employer's contributions or premiums under a group life insurance plan will in future be excluded from income only if the employer's contributions are to provide term insurance.

It has been intended in the past that this exemption from income would apply only for term insurance and generally this has been the kind of insurance provided under employees group life insurance plans. However, recently there have been indications that some employers were arranging to provide a few key employees with substantial tax-free benefits in the form of permanent type life insurance policies with cash surrender values. This amendment is intended to make sure that this kind of benefit does not go tax-free.

The expression "group term life insurance policy" is defined in clause 27 as a group life insurance policy, under which no amount is payable except in the event of the death or disability of the taxpayer.

[*Translation*]

**Mr. Dionne:** Mr. Chairman, not having had the chance yet to express my views in the budget debate, I take this opportunity to make known the representations I received from the voters of the riding of Kamouraska following the budget speech delivered by the Minister of Finance.

At the beginning of my remarks, I will first point out the disastrous results of the 11 per cent sales tax on building materials. I will dwell on this a little and then I will mention some decisions taken quite recently about depressed areas or other matters, but I will insist especially on the government's decision to tax building materials and manufacturing equipment.

That decision is unfair in many respects.

In spite of numerous protests, the government decided to reduce the 11 per cent tax to 4 per cent, with the avowed intention to increase it eventually to 8 per cent, then to 11 per cent.

Considering that the budget has already been greatly amended, I still think that the voters of the county of Kamouraska and all Canadian voters would be quite happy if the minister could find another solution and did not implement his decision to increase the tax up to 11 per cent.



In view of the amendments already made and the numerous representations coming from here and there, we are still hopeful that the minister will reconsider his original decision and that this famous tax will finally be abolished.

We have every reason to believe that the minister's advisers are not much aware of the importance of the wood products industry, because they would not have advised him to levy a tax on machinery required by that industry. While I am speaking of advisers, perhaps I might venture to give some advice to the Minister of Finance in the preparation of his next budget: I urge him also to consult labour and farm organization leaders, and representatives of Canadian families, instead of consulting only the representatives of high finance.

Of course, in the field of forestry, large companies are concerned when it comes to the payment of taxes on operating equipment. But there are also thousands of medium and small businesses, which can hardly live and often suffer heavy losses and even must be closed following such a disturbance in the organization of their operations.

We know perfectly that when a firm has to pay a 4 per cent tax on the purchase of a bulldozer costing say $30,000, its operating costs will be increased and this will be taken into account when the finished product will be sold and competition will thus create difficulties in many cases.

In short, such a tax will have unfavourable repercussions in the building field and will inevitably cause a price increase—

**Some hon. Members:** Order.

**Mr. Dionne:** I am sorry—

[*Text*]

**Mr. Macaluso:** I rise on a point of order, Mr. Chairman. These remarks are completely out of order. The hon. member seems to be talking about the sales tax bill rather than the income tax bill which is presently before the committee. I hope therefore that the Chair will kindly bring the hon. member back to the income tax bill which is under discussion.

[*Translation*]

**Mr. Beaule:** Mr. Chairman, just a word on the point of order. A while ago, the hon. member for Renfrew spoke about everything under the sun except Bill No. C-95, but nobody objected.

[*Text*]

**The Deputy Chairman:** There has been some general agreement that on this first clause hon. members will not be limited too strictly, but I think it might be worth while if we were to stick as closely as possible to the measure under discussion.

[*Translation*]

**Mr. Dionne:** Of course, I would have much to say on this matter which I did not have the opportunity to discuss during the budget speech debate. Because of the many objections which could be raised, I will restrict my remarks to the matter under study.

I realize that we are now considering various steps to relieve unemployment. Following various investigations, some areas have been designated as depressed areas. I find quite ridiculous that after three centuries, during which our people have worked and toiled on Canadian soil, certain areas in the province of Quebec and throughout Canada have to apply to the minister and state all kinds of reasons in order to be recognized as depressed areas and obtain some assistance from the government to get out of an unbearable situation created by a rather senseless system.

I know that few people understand this bill. It is too complicated; it is like a maze designed to confuse the people of Canada.

The granting of tax exemptions to companies which have 25 per cent Canadian ownership will not bring about new industries unless the latter have guarantees that they will be able to sell their products. Otherwise, how could an industry be interested in establishing itself in a given area? However, before there is any question of selling products, one must determine whether purchasing power is high enough in Canada.

Some will say that this is irrelevant but I can connect my remarks to the debate. For instance, the people in the lumber industry are being forgotten. On the other hand, when he goes to work in the United States—if I may be allowed to bring this up in the house—in order to earn some $1,500 and then comes back to Canada to get enough unemployment insurance stamps to live on during the off season, he is required to pay income tax on what he earned across the border. For instance, suppose he earns $1,500 in the United States and $1,000 in Canada, he only gets a $2,000 exemption and pays taxes on $500. He is no longer forgotten when the time comes to collect taxes. Let us see to it that the act is amended so that workers can live a decent life when they are going through hard times.

To restore economic stability in Canada, it will not be enough to reform our tax structures, our industrial structures or what have you.

A reform of morals and institutions is certainly needed, but all those reforms will remain useless and ineffective as long as a real monetary reform is not effected.

The financial system involves taxation which annoys everybody, whereas a monetary reform would result in the distribution of a national dividend based on the difference between total production and total purchasing power. If you look into the possibilities you will see that it is just plain common sense.

Manufactured products would be more easily and entirely disposed of, so that industries would be more interested in developing the country. It would not be necessary to discuss for weeks to try and take a little money from this one to give a little more to that one, that is, the system of robbing Peter to pay Paul. This is a topsy-turvy system.

We are attempting, with great difficulty, to overcome a disastrous economic situation which is leading us to ruin.

That is why we are unable to solve the unemployment problem which has been with us for too long.

[*Text*]

**Mr. Horner (Acadia):** Mr. Chairman, I rise to take part in what has been so far a very interesting debate on Bill No. C-95. This measure has been the subject of continual controversy which dates back to the budget. I was interested in hearing the hon. member for Renfrew South refer to the budget at the opening of his speech as one of the great documents that will go down in history. It will never be forgotten, Mr. Chairman. It was the most irresponsible, ridiculous budget that has ever been introduced into the parliament of Canada or perhaps ever will be introduced into the parliament of Canada. Certainly it was ill conceived and certain portions of it were hastily withdrawn.

However, this one provision dealing with foreign investment we see again in Bill No. C-95. Today we are facing a problem in Canada in trying to get Canadian development by Canadians. We see the provision in Bill No. C-95 which is designed to encourage development in specific areas, depressed areas as they are called, across the country. On the other hand, we see a provision in Bill No. C-95 which is designed, to some extent, to discourage foreign investment in our country. We certainly have conflicting purposes here. On the one hand, we are trying to encourage development and on the other hand we are trying to limit investment in the developing industries of this country. Some experts may have suggested to the minister that the government should interfere more with invest-

ment in Canada. Other experts may say that the government should adopt greater measures of control over the developing industries of Canada. I do not believe Canadians want this. Canadians are becoming more and more concerned with government controls, and want less and less interference from the government and a greater opportunity to contribute to the development of Canada.

At various times the minister has said that he does not like this power of discretion that results from the implementation of Bill No. C-95. However, he sees no other way of getting around the problem. This results in a further increase in government interference with Canadian industry. The government seems to think that it can run and develop Canadian industry better than private enterprise. The Canadian wants a chance to share in this development of Canada. He wants a chance to aid in the development of Canada. Above all, he wants a greater opportunity in Canada for all Canadians.

These provisions will result in the slowing up of Canadian growth because we are trying to discourage foreign investment. How will this provide greater opportunities for Canadians, Mr. Chairman? The most recent edition of the *Financial Post* estimates that our gross national product will increase by something like 6 per cent this year. How does this compare with a 9 per cent increase last year? Their forecast for the coming year is only a possible 3 or 4 per cent, and I ask how does this hold out any great opportunities for Canadians to participate in industry? I suggest it does not.

I suggest that most parts of this bill are highly impractical. The Minister of Finance is stubbornly, doggedly hanging on to the remaining part of his budget; otherwise he would scrap the whole bill. It singles out foreign companies, which have less than 25 per cent of their shares on Canadian stock exchanges, for a greater rate of tax. How can we determine the nationality and the residence of invested capital? Even if this bill passes, how long will the government have to continue to keep a careful watch on the percentage and Canadian residence of investment in various stocks? I would be quite interested to hear what Mr. Kierans had to say about this particular clause. To me it seems very impractical, if not bordering on the impossible.

Think of the growth in the number of civil servants required to police this part of the bill. Here again we see Parkinson's law in action, greater and greater bureaucracy, and greater and greater control over the development of Canada.

[Mr. Horner (Acadia).]

When one looks at Canada's growth over the past 10 years he must realize that foreign investment played a major part in it. Coming from Alberta it is perhaps natural that I should look at that province. We were fortunate enough to have oil and gas below ground and had United States capital coming in to develop new industry. There has been a great growth in the service industries, and I see no harm in foreign investment in those industries.

Last week I noticed an article in the *Globe and Mail* for October 23 headed, "Tax plan called a bar to realty investment." Our real estate boards have met and condemned this tax plan in Bill C-95 because they say it will limit investment in real estate throughout Canada. Many more service industries will be affected, and I see no harm in allowing foreign investment to develop these industries thus providing jobs and work opportunities for people all across the country.

I spoke on the resolution stage of this bill about the need for greater capital being loaned to Canadians. In this way we could give them an opportunity to share in the development of Canada. I suggested that the development bank should be transferred to the new Department of Industry where the people running it could work in close liaison with that department. This is a prime necessity. If we want Canadians to invest we must help them, show them, and provide the necessary capital for them to get into business.

In this bill we see a tightening up, or a penalty clause for foreign investment on the one hand; but yet if foreign investors do come into Canada and locate industries in depressed areas we will give them a big helping hand. In effect this does nothing more than complicate the tax structure of the country. At present there is a royal commission studying it, and the tax structure has been said to have become too complicated. Certainly Canadians generally will agree with that contention. We want a greater simplification of the tax structure instead of giving incentives with one hand and taking them back with the other. You may keep the pot boiling by doing this, but it adds nothing to create opportunities and provide jobs for Canadians. It only increases bureaucracy on the part of the government and encourages creeping socialism; and Canadians have said from time to time that we have gone too far in that direction and should give private enterprise a greater chance to develop the country.

It is interesting to note that in *U.S. News and World Report* of October 14 last, on the page headed, "Business around the world", world bank chief Mr. Woods made that plain

in his speech on September 30 at a meeting in Washington of the World Bank and International Monetary Fund. I think the minister attended that meeting or had representatives there. The article says:

> In blunt terms he criticized countries that permit wild inflation.

What has been the position here since April 8? The cost of living went up by three points, while under the former administration it increased by only six points in six years. I do not know whether this would be termed wild inflation, but it is certainly rapid inflation. What are we doing to stop it? We are doing very little in the budget and nothing in Bill C-95. The article continues:

> He hit hard against the grabbing of private businesses by governments.

Under this bill we will have greater control and greater bureaucracy. Mr. Woods went on to say:

> Progress will come fastest in countries that attract private capital.

What are we doing under Bill C-95? We are discouraging foreign investment. Mr. Woods went on to say:

> ...give private enterprise a chance to flourish and expand. These ideas... brought a few cheers.

I do not know whether the minister was one of those who cheered, but there certainly is mounting concern throughout the world at government bureaucracy, and at governments placing their peoples in strait-jackets, not allowing them to expand industry and create work opportunities.

We have heard a lot of talk about depressed areas. How are they decided? The Minister of Industry has circulated a sheet of paper outlining the depressed areas and how they were placed in that classification. He said they were basically areas of slow economic growth and that N.E.S. figures were used.

In this connection it was interesting to hear the hon. member for Renfrew South speak of his area as a possible depressed area. He led us to believe that its timber resources were now depleted and that it should be considered as a depressed area. He said that with that vast depleted forest industry one part of his constituency had been left in a depressed state; but it is interesting that in the 1961 census for Canada, under the heading forest products, the total value in Renfrew county was $916,519, the greatest total forest value of any county in the province of Ontario. The next county in Ontario had only half that forest product value in a given year; yet he led us to believe that his county was a depleted forest area.

I only point this out to illustrate the difficulty of trying to put your finger on one part of the country as a depressed area, and on another as not. One part of my constituency actually made application to the previous government to be considered as a manpower surplus area which needed incentives, but almost overnight that area has now been told it is no longer a manpower surplus area and cannot be considered under the new depressed area legislation. It has no opportunity to appeal that decision. The minister was invited out there but he did not come. He said he was looking at statistics.

I am not like the Minister of Agriculture. I do not think statistics are for losers, but I do not think they paint an accurate picture of a given situation. In any case they do not take into consideration many of the feasible and practical applications that actually are at work in the economy of given areas of the country. Certainly much thought must be given to determining depressed areas. I was interested in the suggestion that an area development agency would be set up in the Department of Industry to assist in the economic development of the designated areas. Has this development agency been set up yet? What is the representation on it? I should like to see the representation contain members from Alberta and western Canada generally. Certainly when one looks at the 1961 census figures he realizes that Alberta has grown faster populationwise than any other province in Canada. Why has it? Because of the development of industry which has been financed to a large extent by foreign investment.

Certainly there should be men from Alberta on the development agency. Maybe they could offer wise counsel and wise advice when consideration was being given to what and where should be a designated area. With respect to part of my constituency, I could quote the census figures to show that in 1921 there was a certain population, that in 1931 the population was nearly the same, that in 1941 it had not grown and that in 1951 and 1961 the population was the same. Over a period of 40 years the population remained the same. Would you not determine that area as being one of slow economic growth? Would you not determine that area as being one certainly in need of industry incentives?

Apparently the minister did not wait to establish the area development agency before he picked what he called depressed areas. I think he should have. He should have taken counsel from all across Canada before making these rapid-fire decisions. This is all part of the 60 days of decision and perhaps the only part they have not yet withdrawn.

I look at the list of designated areas and I wonder what similarity there is to the patronage list of the Postmaster General. I wonder

what similarity there is between that list and this list. I am inclined to think they may be a whole lot closer than you and I would wish them to be.

I have referred to the area extending from Drumheller east to the border, an area that has certainly had the slowest economic growth of any part of the province of Alberta, an area which has had a slow population growth in comparison with any other part of Canada. Certainly this area should be considered as a designated area from the point of view of offering incentives to industry to establish there.

We look at another clause in the bill concerning lease rental and lease option arrangements. The minister says he wants to plug these loopholes. The plugging of the loophole he is trying to plug in this particular case will do nothing to provide opportunities for Canadians. It will do nothing to provide jobs for Canadians. All we have to do is to go out across the country and look at the situation. Contractors make their bids on jobs and if they get a contract they are prepared to go out and rent the equipment to do the job, in the hope that in many cases the rent can be applied against the purchase price of the equipment if they should desire to purchase.

But the minister says: Oh, no, this is a loophole we are going to plug. Certainly it may be abused in many cases; but I should like to see a piece of legislation that has been passed by this house that somebody will not abuse. If there ever was such a piece of legislation it would put us in a strait-jacket so that not one of us could do anything. That is just about an impossibility. While to some people there may appear to be a loophole, it is still a great aid to contractors throughout the country in making their bids on and taking jobs that are perhaps a little larger than their present equipment allows them to take.

It is interesting to note that on the one hand the Minister of Finance is trying to control the rental of equipment by agreement. Actually he is not going to be too successful in doing this because contractors will get around the provisions. They will buy the equipment. All they will have to do is to buy the equipment in the year in which they rent it and this will defeat the minister's objective in including this clause.

It is interesting to note his action with regard to rental agreements on machinery generally, including farm machinery. It is interesting to note his observations in this regard and those of the Minister of Agriculture. The Minister of Agriculture said in a speech not long ago that one of the main problems of farmers today is the high cost of farm machinery. He went on to say that he thought rental depots should be set up across the country so that farmers could rent their equipment for a given job rather than buying it.

Again we have two ministers with somewhat conflicting ideas on a given subject. It is not the first time we have seen two ministers in the same spot. I can remember the Minister of Labour offering $500 for new home construction and the Minister of Finance taking away $800 through the sales tax. Whether the same thing will apply in this instance I do not know. As a farmer, if I want to rent machinery to do a job I want to have the opportunity to let the rent apply on the purchase price of the machine if I decide to buy the machine. I see nothing wrong with that. I think it is a good thing. I think if a person has to put out half the price of a machine in rent he should be able to allow that rent to apply as the down payment on the machine, if he decides to buy it. There is nothing wrong with that.

The loophole that the minister is trying to plug in this regard will still exist. He will not be successful in plugging it. He will just make it more difficult for contractors, farmers and all those who wish to rent equipment rather than buy it for the purpose of taking on any job or contract they may be bidding on. In fact, if the minister plugs all the loopholes he is trying to plug, even if it were feasible to plug them all it would not increase the general revenue of the country to any great extent. It would increase it by far less than 1 per cent of the deficit the government is going to have this year, and certainly it is going to be a large one. We are all well aware of that.

Actually the minister issued a grave warning that Canada's political destiny is at stake. He issued this warning in his initial speech in introducing Bill No. C-95. Canada's sovereignty is at stake if the present cabinet does not take a stand on many issues with which it is confronted involving labour, wheat sales, finance, nuclear weapons, and so on down the line. Certainly job opportunities must be provided for Canadians. In my opinion Bill No. C-95 does not measure up to the need for greater resource development in Canada. At best Bill No. C-95 does nothing more than legalize patronage. I suggest that is what is happening in the naming of these depressed areas. It is nothing more than legalized patronage. It is nothing more than a continuance of the Liberal party plan—more bureaucracy, more socialism, more patronage.

Canadians want none of these things. Canadians want a more simplified income tax form, more opportunity and a chance to share in the commercial growth and development of the resources of Canada. I am disappointed with Bill No. C-95. It does not do the things

that I think Canadians want. It does not provide them with the opportunity to have a part in the development of Canada.

**Mr. Aiken:** Mr. Chairman, I should like to say a few words on clause 1 of the bill and to comment on something that the minister has said several times today. He said that basically it does not matter what you do as long as you do something. I must admit that I like to see ideas tried. I like to see progressive legislation brought forward. I think we have to try new ideas and make new efforts from time to time. Otherwise our legislation and our national economy become stale. I think that this particular theory of "Don't just stand there, do something" is a very good one in military circles, where action of some kind must be taken or you will be shot down. But in matters of finance and taxation one has to move very slowly. I think the minister moved much too quickly and as a result has got himself into some difficulty.

There is one intriguing part of this budget I should like to mention tonight in connection with income tax. It was introduced by the minister in these words, to be found at page 1007 of *Hansard* for June 13:

> The source of revenue which we shall seek on a non-recurring basis relates to the income tax on corporations. It is desirable that corporations should pay their income tax as their income is earned to a greater extent than they do at present.

I must admit that what has intrigued me about this particular paragraph, the import of which is now clause 13, is that it is a tax increase which is not a tax increase. It is the old hat trick where there is an increase in taxation which is in fact not an increase. It has made me wonder how the minister could draw this rabbit out of the hat to the extent of $220 million in corporation income tax without increasing taxation.

I have looked into this matter and, after investigation, I am led to the belief that it was just a gimmick and in fact will not do what it is intended to do. I think the minister intended to use this means to raise another $220 million revenue without damaging the corporation tax structure or increasing corporation income tax, and he did it by the simple expedient of making the tax payable earlier. In my opinion, Mr. Chairman, making the tax payable earlier is no different, in the circumstances in which it has been introduced, from paying more tax. It is called a non-recurring tax, and certainly it cannot recur. Because instead of starting to pay tax at the end of June in each year when returns are filed, the tax is now payable two months earlier, or at least the payments are started two months earlier.

There are two difficulties in this connection. The first difficulty is the accounting one. I do not want to take issue with the minister on the subject of accounting, but I am told that the taxation at an earlier date, even if the returns do not have to be filed until later, is going to cause a great deal of difficulty for accountants who are doing work both on personal income tax and corporation tax. In any case the accountants—

**Mr. Benson:** Mr. Chairman, could I ask the hon. member a question?

**Mr. Aiken:** Yes.

**Mr. Benson:** Could he explain to me how one can cause an accounting problem merely by corporations paying their taxes faster?

**Mr. Aiken:** Yes, Mr. Chairman. My information is that accountants are required to make an estimate or calculation of the income tax due by April 30, because that is the date on which the first payment is made. On that date a calculation of income tax must be estimated by the accountant. I am saying to the parliamentary secretary that I am told—and I have to go on what I am told—that at this time most accountants are deeply involved in personal income tax matters and—

**Mr. Benson:** Mr. Chairman—

**Mr. Aiken:** May I just finish; I will be glad to have the parliamentary secretary correct me if I am wrong. I am told that at this time accountants are very much involved in personal income tax matters, and that they must make estimates for a good many of the corporations in connection with payments which begin at the end of April. The second difficulty is that in fact the tax becomes payable earlier, and while it is non-recurring in the year in which this tax now becomes payable, there is an additional $220 million payable, and payable at a time when a good many of the corporations involved are making expenditures for the current year's business. This is money which could very well be used to prepare for the year's business rather than to make earlier payments of income tax. I am advised that the earlier payment of tax does in fact increase the revenue, although it does not appear to. I would be glad to answer the parliamentary secretary now.

**Mr. Benson:** I have another question, if the hon. member would permit it. Does he not know that all that is required in order to calculate one's instalment of tax is merely to take one eleventh of the previous year's tax and pay it each month? This involves no accounting difficulty except a simple division, and as a practising accountant I can see no serious problem.

**Mr. Aiken:** Then, I do not know why the clause has been written in the way it has, because there are two alternatives and I presume the alternative which is better for the taxpayer is the one he will adopt. He can either pay on the basis of the last year's tax or he can pay on the basis of his estimated tax for the current year. If he just chooses to pay on last year's basis, this is perfectly all right, but it may not be to his benefit as a taxpayer. He may be a fairly new taxpayer and may have increased or decreased his business substantially. He may have branched out into new fields, and if he only pays his estimated tax for the previous year then I ask why the alternative is put into the clause. Because he can do it on either basis. I am told that as a matter of practice this causes difficulty. However, I do not want to argue with the parliamentary secretary about it because he has his opinions and I will be glad to hear them; but I have to rely on things people who are in the business tell me.

On page 1003 of *Hansard* for June 13 the minister mentioned tax incentives for industry. He said:

> This means, Mr. Speaker, that we have no alternative but to look to our tax structure not only with a view to providing incentives for increased employment and industrial growth, but also in a search for additional sources of revenue.

It was our understanding at that time that the minister intended to produce tax incentives in order to get industry going. These incentives have in fact not been incentives at all but the reverse. We have had tax increases, and on the particular item we are discussing the accelerated payment of corporation income tax is a tax increase regardless of how you go about it. The corporations have to pay $220 million more to the government, and you cannot call it anything else but a tax increase for that particular sector of the economy we are trying to help.

I do not want to go into the increases in sales tax; in fact I could not do so. Nor shall I discuss the question of the increase in taxation to finance the old age pension, part of which will come from the corporate field. Nevertheless, I do want to point out at this time that there have been very few incentives in corporate income tax; on the contrary there have been tax increases at a time when we ought to be encouraging industry.

I know, Mr. Chairman, that we all want to proceed with the bill. There are other matters to be discussed at the time we reach them clause by clause, but I should like this particular point clarified. I am not a believer in miracles, but I do know that the minister has tried to produce one here. However, I say a tax is a tax.



[*Translation*]

**Mr. Laprise:** Mr. Chairman, I should like to take this opportunity to make a few remarks on Bill C-95, to amend the Income Tax Act.

I must say, at once, that this bill has not impressed me much. We must admit, and nearly all those who have spoken before me have done so, that the Income Tax Act is a rather complicated document, quite difficult to understand and to sort out. I think that the amendments which the government intends to bring will only make it more complicated.

In studying this act, I had the impression that it resembled abstract art. Abstract art, Mr. Chairman, represents something which cannot be easily understood. An abstract painting, an abstract sculpture represents something that anyone can look at and then find in it very different meanings.

The Income Tax Act is just like that painting; everyone can study it and find in it different aspects and meanings. That is why those lucky enough to have at their service people who can spend long hours studying that abstract measure, can succeed in finding ways to evade some taxes.

We have heard of some proceedings instituted against some companies, some businessmen who allegedly succeeded in evading taxes they should have paid to the treasury. And again recently, some politicians took the liberty of doing such a thing.

Mr. Chairman, if you study the Income Tax Act and consider it in relation to abstract art, as I did, you can see that the present government's actions look strangely abstract too.

The government's actions are often out of touch with reality. Indeed, as reported on page 4183 of *Hansard* for last October 30, no later than yesterday, the hon. member for Lake St. John put the following question to the Minister of National Revenue:

> Could the minister inform the house if his department has given instructions to reduce the amounts claimed for charitable donations, as is being done in the province of Quebec, without first making an investigation to ascertain whether or not the receipts are genuine?

The minister's reply was negative. Then, who ordered officials of the taxation division to reduce the amounts claimed for charitable donations as they did throughout the province of Quebec, at least this year? Who gave them such instructions? If they took it upon themselves to act in that fashion, without getting any orders from a member of the government, I wonder where we are going and what has happened to cabinet responsibility.

Mr. Chairman, in the budget speech made by the Minister of Finance (Mr. Gordon) in this house on June 13 last, we find quite another story. As reported in the fourth paragraph, second column, on page 1004, the Minister of Finance stated:

> The government is directing the Department of National Revenue to tighten up its administration of the law and to pursue a policy of vigorous enforcement.

This is the order given by the government to the Department of National Revenue. We find that this order has been carried out to the letter merely by looking at the situation that prevailed last summer in the province of Quebec. I refer to the province of Quebec because I am more familiar with it, and more especially my riding. Our workers, our miners, our lumbermen, in short all our fellow citizens have seen their receipts for charitable donations reduced by half and sometimes more. They were entitled to them, because the law provides for an exemption for charitable donations, up to 10 per cent of the net income. Besides, this is stipulated on income tax forms.

Why were those exemptions reduced this year, Mr. Chairman? The answer is to be found in the same budget speech. Here are the words of the Minister of Finance which are taken from the same page as the previous quotation:

> There is a double purpose here. One is to increase our revenues—

Well, Mr. Chairman, that is the reason. Claims made for charitable donations were reduced to increase government revenues this year and, next spring, we will be told—as I imagine was often the case in the past—that it is thanks to the Liberal party that the country's revenues have greatly increased. However, nothing will be said about the fact that this increase was achieved at the expense of our workers.

Mr. Chairman, we should put an end to this kind of thing as soon as possible. I appreciate that the government has the right to increase its revenues but instead of depending on those who already have very little, it should seek the additional income somewhere else.

The Creditiste group, of which I am a member, made various suggestions during the last session and this session in order to facilitate to the government the administration of the country without further taxation.

I can see smiles on the other side of the house. While the government laughs at the suggestions of the Social Credit, families cry all over Canada because the government has no solution to offer them. Instead of laughing at the proposals of the Social Credit, the government should endeavour to run the country in such a way as to respect human values. The old regimes have failed: that has been established. We have a monumental debt. Each year we must pay extravagant interests to the financiers who profit by that system.

Mr. Chairman, it would be a good thing if a way could be found to allow the worker to decide for himself how to look after his income. I would have hoped that Bill C-95, to amend the Income Tax Act, would do more than it promises to do to lighten the Canadian taxpayer's burden. As a matter of fact, the bill only provides for ways and means to levy greater sums of money which the government could easily obtain elsewhere. All it would have to do would be to use the Bank of Canada.

Mr. Chairman, I do hope that in the course of the debate to follow, during which the bill will be discussed clause by clause, certain suggestions will be made so that this legislation can be more readily understood by the Canadian people, something which would increase their respect for the government.

[*Text*]

**Mr. Hales:** Having spoken once before on this bill after the minister had introduced it on second reading, my remarks now will be brief, but I should like to take a little of the time of the committee in order to deal with two aspects of the measure before us, namely clause 16 having to do with designated areas, and the clause having to do with the withholding tax.

When I spoke before on the clause dealing with the designated areas, I brought to the attention of the minister and of the house five reasons why I felt this legislation was ill conceived. I felt at that time, and I still do, that it was discriminatory. I felt the criteria used to select the areas were unfair and impracticable. Third, I felt it was a contradictory piece of legislation; fourth, that it disregarded municipal and provincial autonomy and, fifth, that industrialists are not satisfied with these particular provisions. I am not going back over this, other than to make a few remarks concerning some of those members who have spoken from the government side on this particular section of the bill. I was astonished to see so few members on the government side rising to defend their minister with regard to this particular section. In view of the amount of criticism there has been throughout this country, the editorials and comments in the newspapers concerning the designating of depressed areas, I would have thought there would be a number of members on the government side

rise to defend their policies, their government and this piece of legislation.

The hon. member for Northumberland made a very comprehensive speech on this subject. It was the result of a great deal of research and study, I am sure. However, it was very philosophical in its outlook and was very theoretical. In my humble opinion, it lacked the practical touch.

In so far as the criterion being used in connection with these designated areas is concerned, the fact that the six summer months have been chosen as a basis is absolutely wrong in principle. Tonight the hon. member for Port Arthur gave reasons why these summer months are not practical for his area. The hon. member for Jasper-Edson gave us very good reasons why this criterion was not suitable for western Canada. The fact that the summer months were chosen would make a real difference in the riding of the hon. member for Niagara Falls. I am sure she would like to see some industries in her riding. However, her area would not be designated, because during the summer months there is a great influx of tourists with the resultant high employment. Her riding, therefore, would be ruled out. The same situation would apply to summer resort areas which have high employment during the summer months. They would not be able to qualify under his criterion.

Brantford, Ontario, qualified for designation because it is primarily an agricultural implement manufacturing city. This industry is busy during the winter and early spring in order to provide farm machinery for summer use. They lay off their men in the summer and therefore this area qualified under this criterion. At least, this is one of the reasons for its qualification. I say, therefore, that if we are going to use unemployment figures, the only fair way to do it is to take the 12 months rather than take the six months in summer or six months in the winter.

The minister has told us in his press release that this method of designation will be reviewed at the end of the year. I suggest, Mr. Chairman, that this is too long a period. I feel this method should be reviewed in a shorter period of time, possibly four months or at the most six months. A year is a long time when you consider that one area could be given incentives which an area close by would not receive.

I was interested to note that the hon. member for Renfrew South has been experiencing the same problems as the hon. member for Wellington South. He intimated tonight that the criterion was wrong. He begged of his own minister to review the situation in his area. Pembroke has been designated as a depressed area while Renfrew has not been designated. The same situation exists as between Guelph and Brantford, which are only some 40 miles apart.

I come back to the fact that the criterion is wrong in principle. It needs to be corrected, and it needs to be corrected right away because there is a serious situation in many parts of the country. I feel that this is the reason Liberal members have not risen in their places and spoken in defence of this provision relating to designated areas in this legislation.

There is another factor which should be considered in connection with this criterion. I refer to the mileage factor. I feel that a distance of about 100 miles should separate these areas and that this would overcome many of the problems. When you designate one part of a highly industrialized area and do not designate another part which is separated by only 30 miles, you are bound to have trouble. This has been the experience in southwestern Ontario. It is conceivable that you can give an industry pie in the sky; you can give an industry everything it wants, but there are certain fundamental things required in order to start a business. For example, if Canada Dry wanted to start a factory in my community we could give them free land, railway sidings and tax concessions, but they still would not come into that area unless the water was of the particular type they wanted for manufacturing their product. I say, therefore, these incentives can only go so far, because an industry that wishes to locate in any particular area considers many other things than the incentives this government is going to offer.

These industries even go so far as to hire a firm of consultants. They say to the consultants: We want to locate in Canada; we will leave it to you to pick out the best location you can find for us, bearing in mind the closeness to the raw product, closeness to our market and our labour supply, as well as other items. This principle of incentives, therefore, does not work as well as the government thought it would.

The minister has said that he realized the formula was not perfect when he advanced it. I remind him that it is dangerous to jump in and do these things without giving thought to them. Often the results to the communities are costly. The result to my community has been costly because we have lost a very good industry. I am sure there are other parts of Canada that have had a similar experience. These are the remarks I intended to make in respect of the designated area section of the bill.

In so far as the withholding tax provision is concerned, I do not know of any piece of

legislation that has drawn as much attention from those in financial circles as this withholding tax provision. It was unfortunate that the government did not see fit to send this bill to the banking and commerce committee so that these firms could present briefs to the committee. However, this move was voted down the other day. I feel that we should review first the details in the resolution concerning this withholding tax. Discriminatory tax treatment of foreign investors in Canada was proposed in the budget of June 13, 1953, and it disregarded one of the most fundamental principles of Canada-United States fiscal relations, namely the capital flowing between the two countries. The minister, in his zeal to expand export markets and help solve the balance of payments problem, took into consideration the fact that so much of our export industry is owned by United States parent companies that United States subsidiaries would be competing with their own products in their own domestic market. The minister believed that their problems would be eased if the Canadian subsidiaries were owned, at least in part, by Canadian investors.

He proposed two things, as I see it, in this regard. First, as an incentive, he is attempting to make the sale of Canadian bonds in the United States easier by cancelling out the withholding tax on interest. He would also reduce the dividend withholding tax from 15 per cent to 10 per cent for foreign companies which have made a reasonable proportion of their equity shares available to the Canadian public by 1965.

The second step might be referred to as a fine or penalty. For those companies which do not choose this incentive, the withholding tax will be increased to 20 per cent for foreign controlled companies which do not make such shares available by 1965. The original budget proposal, which called for a degree of Canadian ownership or control, stated that 25 per cent of the shares of foreign subsidiaries were to be held by Canadian residents. The amazing thing is that the minister himself has conceded there is simply not enough Canadian capital available in Canada to buy 25 per cent of all foreign owned companies.

The *Globe and Mail* under date of October 2 stated:

> The test will not be whether a company is 25 per cent owned in Canada, but whether at least 25 per cent of its shares are available for public subscription... It is one thing to ensure that shares in foreign owned companies will be available to Canadians, and quite another to ensure that Canadians will buy them.

In addition, there is an acute reluctance on behalf of Canadian businessmen to invest in anything other than a sure bet.

The overriding objection to the minister's scheme, however, is that it is punitive. In so far as the United States is concerned he is taking a gamble in that the United States-Canadian tax convention specifically provides that the paragraph of the agreement setting the 15 per cent withholding tax on dividends paid by United States subsidiaries to Canadian parent companies may be terminated without notice, by either country raising the rate of withholding tax above 15 per cent. Furthermore, the United States internal revenue code makes allowance for a 30 per cent withholding tax if this paragraph is terminated. It looks as though the finance minister seems to hope that he can persuade the United States to leave its withholding tax at the present 15 per cent, but it is a pretty shaky hope at best.

In addition, the normal procedure a country follows when adopting restrictions of this nature is as follows: A company seeking incorporation is required to meet specific standards relative to domestic equity participation. At that time the company has the advantage of being known and accepted by the foreign investor before he has made a commitment. It is believed that the adoption of such a policy as announced by the minister will be regarded by foreign investors as an act of bad faith, because Canada is attempting to change the rules after the non-resident has invested his capital in the country.

Because of these budget proposals, together with the United States proposal of imposing an interest equalization tax, the Canadian and American committee, at its regular semi-annual meeting on September 27 and 28 stated:

> For the first time in their histories, the Canadian and American governments have each proposed to institute a measure which—however different in their origin and nature—will have much the same effect: impairment of capital flows between the two countries.

The committee discussed the damage already done and the further harm these proposals will inflict if put into effect.

> First, they would have both direct and indirect effects on the cost and efficiency of capital for industrial development in both countries.
>
> Second, they will tend to inhibit and to complicate the development of closer and freer trading relations between the two countries.
>
> Third, the tensions and uncertainties produced in financial relationships will undoubtedly spread —indeed, are already spreading—to other aspects of Canadian-American economic relations.
>
> Fourth, non-discriminatory treatment of foreign investment has long been a principle which Canada and the United States have been endeavouring to induce other nations to apply in their treatment of Canadian and American investors in their economies. If Canada or the United States now breach this principle, they can hardly expect other countries to honour it.

In conclusion they say:

> In today's world, neither Canada nor the United States can afford to forgo any of the advantages they have long derived from the North American common market for capital resources.

Those are the remarks I have to make on these two clauses of the bill at this time. When we get into more detailed clause by clause examination I will have something more to say in this regard, but it seems as though this is another case of where the government has jumped in before it studied the legislation thoroughly, and it is a very serious matter for investors and communities when these errors in judgment are made. They become a costly venture for those concerned.

**Mr. Gordon:** Mr. Chairman, we have covered a lot of subjects today and it is now getting close to 10.30 p.m. I think hon. members of the committee will have noticed that we are beginning to go over the same ground again, and I wonder if they would be willing at this point to pass clause 1 of the bill just to show that we have accomplished something in a long day.

[*Translation*]

**Mr. Ricard:** Mr. Chairman, I do not intend to speak very long and even if some members of the government have some more or less unkind remarks to make when we rise, I wish just the same to make a few suggestions to the Minister of Finance (Mr. Gordon).

Following representations made on both sides of the house, there is no doubt that the measure under consideration is far from perfect. I would not have any reason to speak in this way if the objections raised or the loopholes mentioned came only from this side of the house, but we have heard today some members of the government criticize this measure.

It is for that reason and in order to offer two constructive suggestions, that I intend to make a few remarks, knowing that I will be finished before 10.30.

Mr. Chairman, I feel that we are again studying a hastily drawn up measure. In fact, I think that the provincial and municipal authorities, which are surely interested in it, should have been consulted; but as we noticed on several occasions since the beginning of this session, the present government simply prepared a bill and then told the municipal and provincial authorities concerned: Here is what we have decided, you will have to agree to it since we have reached the conclusion that it is in your interest.

Mr. Chairman, allow me to remind the house that, in the past, there was some competition between the various municipalities wanting to encourage industries to settle within their limits.

To do so, municipal councils were offering advantages with which other municipalities could not compete, and throughout the province, every municipality was trying to outbid the others; but this was unfavourable for some of them who could not be as generous as others to attract industries. This happened in Quebec as well as in Ontario. The provincial governments were even forced to pass legislation in order to prevent this unfair competition between the various municipalities, in the interests of all concerned.

Mr. Chairman, it seems that the small industry was not given all the necessary attention in the drafting of the bill under study. In fact, I wonder if the small industry is not needlessly taxed or placed at a disadvantage from the standpoint of competition.

However commendable it might be to urge certain industries to settle in particular areas and to wish that the Canadian people control its own industry, in short its own economy, it remains nevertheless most important that such control be not established to the detriment of those industries which are just starting their operations in this country, or those small ones which are a family affair.

Mr. Chairman, it seems to me that it would have been wise to extend certain privileges to the small industries and to family industries which, especially in the province of Quebec, are an important part of our national life. Indeed, on account of the provisions of the new legislation, small industries and family industries will often find themselves in an inferior position to compete with new industries or the markets of the province and of the country at large.

It seems to me that those industries which have played a major role in our economic expansion should have received more consideration from those who prepared the present legislation.

In my opinion, to be fair to this important area of our economy, the minister should take the time to have his officials make a more thorough examination of the situation to provide those smaller industries with all the protection they need.

I should also like to say a few words concerning income tax itself. Once again, I urge the minister to give special consideration to the exemptions granted to our factory workers. It seems to me that we would have the opportunity now to make a readjustment as well as a complete review of tax rates and exemptions as regards the low bracket workers. By refusing them the protection they are entitled to, we are cheating people of this group who have but modest resources.

I think the minister should keep on with the work he has begun and pay particular attention to that problem in his amendments to Bill C-95.

Since he has already cancelled certain decisions he had taken and since he has also reconsidered certain parts of the legislation, I am of the opinion that it would be beneficial to bring forward a well thought out measure that would not be so detrimental to people from all walks of life.

Mr. Chairman, those were the few remarks I wanted to make.

[*Text*]

**Mr. Skoreyko:** Mr. Chairman, may I call it 10.30?

**Some hon. Members:** Go ahead.

**The Chairman:** There is a minute or two left. Perhaps the hon. member might begin his remarks.

**Mr. Skoreyko:** Thank you, Mr. Chairman. I was very much interested indeed in listening to the Minister of Finance a moment ago when he said that this had been a long day indeed and we should pass clause 1 before we conclude today's sitting. I suggest that there are many features about the bill before the house, including 28 amendments, and that they all require considerable discussion. I am speaking specifically on clause 1, although I serve notice on the minister now that at a later time I intend to move certain amendments which I think are required and necessary for the benefit not only of the people of my area but the people of Canada as a whole. May I now call it 10.30, Mr. Chairman?

Clause 1 stands.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** Would the house leader let us know what estimates will be taken up tomorrow? We know the other business, which we presume will be the Income Tax Act. Could he inform us whether he is insisting on a supply motion on Monday and Tuesday? I am thinking of his members who like to be away sometimes.

**Mr. Pickersgill:** I must say that the hon. member for Winnipeg South Centre becomes increasingly helpful as time goes on. He is quite right in his anticipation of a supply motion on Monday, and also of the first business for tomorrow, which will be the continuation of the discussion on the first clause, and I hope the proceeding to the other clauses of the income tax bill.

As I indicated earlier, there was an understanding that when we had completed it we would call the motion in the name of the Solicitor General and that there would be one speaker from each group for not more than ten minutes each. If we can get the C.N.R. committee set up after that, with very little debate, it will be a great help generally because we will be able to get on with a lot of the railway legislation once that is done.

In addition, we would like to get the two bills respecting the Northwest Territories through second reading tomorrow, so they can be sent to committee where a number of hon. members want to examine them in detail. If all these matters are finished before five o'clock we will take the vocational training resolution for the rest of the time until five o'clock.

**Mr. Churchill:** I am sorry I asked the question.

**Mr. Pickersgill:** I just wanted to indicate some of the more urgent things to which the government would like the house to give attention.

**Mr. Knowles:** What about the Canada pension plan?

**Mr. Pickersgill:** The Canada pension plan has its place in the scheme of things, and if the hon. gentleman could exercise some influence on some of the members on the other side of the house he could bring it forward a lot faster.

Tomorrow evening, as I indicated earlier, it is the intention to call the estimates of the Department of Forestry, and when they have been completed the Minister of Public Works will be available to complete his estimates. If both these departments should be completed before 10.30 the government would be prepared to call any other department that is now open.

**Mr. Nielsen:** Let us have the Post Office Department.

It being twenty six minutes before eleven o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Friday, November 1, 1963**

The house met at 11 a.m.

## BUSINESS OF THE HOUSE

NO SITTING ON REMEMBRANCE DAY—SUPPLY MOTION ON NOVEMBER 12

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I wonder if I might be permitted to say a few words about the business of the house. I have made some inquiries, and to enable as many hon. members as possible to be present in their constituencies on Remembrance day I believe there would be unanimous consent if the house met on Tuesday, November 12, at 11 a.m., and it was understood that the supply motion would take one day instead of two. Of course there would be that extra time in the morning and the vote would be taken at 8.15 p.m., as is the usual circumstance on the second supply day. If there is unanimous consent it could be made an order of the house now, so that hon. members may make their plans for November 11.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, we agree entirely with that proposal. The suggestion came from the hon. member for Vegreville that November 11 should be celebrated in keeping with the traditions of our country, and we are certainly happy that the house leader has come to this conclusion, which is contrary to that which the Prime Minister made the other day, that we sit on Tuesday at 11 o'clock and have that day for supply.

**Mr. Speaker:** Does the house give unanimous consent?

**Some hon. Members:** Agreed.

## PRIVILEGE

MR. CHURCHILL—REFERENCE TO HEADLINE IN TORONTO "GLOBE AND MAIL"

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I am rising on a question of privilege which will be very briefly expressed. I draw attention to today's issue of the *Globe and Mail* which has a headline "Bases in France was P.C. error, Churchill says."

I made no such statement, Mr. Speaker. The record of the proceedings of the defence committee will be available early next week, and if anybody can find words in the record to that effect I will then make a suitable explanation to the house. I think the committee and members of the press who were at the committee proceedings will bear me out that no such statement was made by me at that committee hearing.

## FINANCE

MUNICIPAL LOAN FUND—TABLING OF AGREEMENTS, ORDER IN COUNCIL AND REGULATIONS

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I should like to make a statement concerning the Municipal Development and Loan Act. Hon. members will recall that the purpose of this act is to promote increased employment in Canada by financial assistance by way of loans to municipalities to enable municipalities to augment and accelerate municipal capital works programs. The act provides for the establishment of the municipal development and loan board to administer the loans to be made under this act. It also provides that the board may enter into an agreement with any province wishing to do so, to make loans to such a province or to an agency designated by it, for the purpose of enabling that province in turn to make loans to its municipalities. Such loans are to be on the same terms and conditions as would apply in the case of loans made by the board direct to municipalities.

I wish to announce that the board has signed agreements with the governments of the four provinces which have elected to administer their share of the loan fund, namely Ontario, Quebec, Manitoba and Saskatchewan. In accordance with the terms of the act, the form of the agreements was authorized by the governor in council and, with the permission of the house, I wish to table copies in French and in English of the relevant order in council, P.C. 1963-1584 dated October 24, 1963. I wish also to table copies of the agreements between these four provinces and the municipal development and loan board.

The six other provinces have elected to transmit municipal applications for loans for approved projects to the board. Under this arrangement the administration of loans will be between the board as lender and the municipalities as borrowers. I wish also to table copies, in English and in French, of the Municipal Development and Loan Act regulations,

P.C. 1963-1594 dated October 31, 1963, which parallel the provisions of the provincial agreements.

In order to administer loans to municipalities in the provinces of British Columbia, Alberta, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, in accordance with section 6 of the act, the board has entered into an agreement with Central Mortgage and Housing Corporation for the use of its branch office personnel, facilities and services.

The signing of agreements by Quebec, Ontario, Manitoba and Saskatchewan, and the making of the necessary regulations and arrangements with the other provinces, has cleared the way for operations under the act. The board is now prepared to process applications.

I should like also to announce that the governor in council has prescribed an interest rate for loans made by the board. For the last quarter of 1963 an interest rate of 5¼ per cent has been established. This rate will be reviewed quarterly. Because repayment of 25 per cent of the federal loan may be forgiven for projects completed on or before the 31st day of March, 1966, the effect will be to provide funds to municipalities at an effective rate ranging from 2.05 per cent on a 20 year loan to zero interest on a loan of only 10 years. This is the feature we expect will prove most attractive to municipalities and encourage them to accelerate their capital spending.

The chairman of the municipal development and loan board is Dr. K. W. Taylor, special adviser to the privy council. Mr. Jean Miquelon, under secretary of state is vice chairman. The other members of the board are Mr. R. B. Bryce, deputy minister of finance, and Mr. Stewart Bates, president of Central Mortgage and Housing Corporation. Mr. J. C. Kerr is executive director and secretary.

**Hon. Michael Starr (Ontario):** This statement seems to be one in a long series of announcements in respect of this municipal loan fund that the government has been making from time to time over the past number of months. I think it has been their intention to bring into focus this policy of the municipal loan fund to provide the answer to the unemployment situation in Canada. I can well understand why they are making this announcement and framing this particular municipal loan fund in this way, because to date the government have not brought forward any policy to deal with unemployment in this country in a constructive way.



I am not one who wishes to be a pessimist in respect of this matter, although it is a very serious matter in this country at any time when people are unemployed. However, I do want to point out that in my opinion the municipal loan fund is not going to create any new jobs in this country at all. That is borne out by the fact that the municipalities are not going to take on any new projects. The municipalities are not going to incur new debts, because the capital debts of the municipalities are pretty high now. However, they are going to take advantage of this in simple projects for which they had anticipated and planned. They will be able to get a lower rate of interest, and of course the forgiveness clause is an asset to the municipalities also. Therefore in that respect the municipalities are going to benefit as a result of this. But as far as jobs are concerned I want to say now that in my opinion this municipal loan fund will not provide any new jobs at all.

**Mr. R. W. Prittie (Burnaby-Richmond):** Mr. Speaker, we in this party are pleased that the government have concluded arrangements with the provinces in this matter. I suppose this is a good example of co-operative federal-provincial action; four provinces have gone one way and six another. Nevertheless we are pleased that these arrangements have been made. The only criticism we would make would be that made at the time the bill was given second reading, namely that the fund is really too small to make a very great impact on unemployment. It is useful for municipalities who can afford to borrow, and there are reasonably favourable interest rates. But we repeat what was said earlier, that for a dramatic impact on unemployment in Canada the fund should be larger and have more forgiveness clauses than it has at the present time.

[*Translation*]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, we welcome the announcement just made by the Minister of Finance (Mr. Gordon) on the implementation of this new municipal development and loan board because on many occasions we advocated the setting up of that body in the past, and we consider it is a move in the right direction.

It seems that this board will surely be helpful. If you consider that the rate of interest is 5¼ per cent, that in itself is an improvement on the money market rate.

I note that the government has concluded an agreement which avoids intruding upon provincial autonomy, and that is an excellent thing indeed. On the other hand, I submit that this might not resolve the acute unemployment problem we have at present, and

I point out that our group made very definite suggestions to set up a real municipal credit bank, which would be much more practical.

But, as I just said, it is a move in the right direction and I hope that before long, with the experience gained from the municipal development and loan board, we will be in a position to set up a real municipal credit bank which could more effectively alleviate the burden of municipalities which have to undertake improvement works.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, we listened with interest to the statement of the Minister of Finance (Mr. Gordon) concerning loans to municipalities meant to create new jobs in Canada.

We doubt that such a step will result in full employment, but no one can deny that it will help to provide work for a number of unemployed who are now going through hard times.

On the other hand, there is one feature we do not like, and that is the 5¼ per cent interest rate. This means that a municipality which is being granted a $100,000 loan at this time will have to pay back over $200,000 inside twenty years. In so doing, it is mortgaging future generations, putting liabilities on our own children.

I appreciate that, on account of the present financial system, we have to act that way, but what we suggest to the Minister of Finance is to utilize the Bank of Canada, which is our own body, to grant loans to the municipalities at a nominal interest rate which would not exceed administration costs, that is about 1 or 1¼ per cent, then the municipalities could look at the future with confidence.

I realize that under the present system the Minister of Finance cannot do otherwise but, as someone said yesterday, it is time, it seems, to turn aside from the beaten track and to create something new in our country, in order to lighten the burden of the municipalities as well as that of the provinces and even of the central government, in short to relieve the Canadian people.

[*Text*]

## HOUSE OF COMMONS

ENGLISH DEBATES—REFERENCE OF SURVEY TO STANDING COMMITTEE

**Hon. J. W. Pickersgill (Secretary of State):** If there is unanimous consent I should like to move, seconded by the hon. member for Prince:

That the report of the survey of the English debates reporting branch of the House of Commons tabled by Mr. Speaker be referred to the standing committee on debates for immediate consideration and report.

Motion agreed to.



## SUGAR

PRICE INCREASES—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

**Mr. R. W. Prittie (Burnaby-Richmond):** I ask leave to move, seconded by the hon. member for New Westminster:

That the house adjourn, under standing order number 26, for the purpose of discussing a definite matter of urgent public importance, namely the constant increase in the price of sugar.

Since January 1 of this year sugar prices have changed more than 90 times. Since this session of parliament started 26 members representing all parties have asked 40 questions on the matter of sugar prices. This large volume of questions on the one subject reflects the concern of many thousands of people in the country, particularly housewives.

To most of these questions by members the government has said in effect "We can do nothing". We do not feel this answer is good enough for a matter of this importance. The people expect some action from the government on a matter which they cannot handle themselves. Other governments have done something about it. The government of the United Kingdom has a sugar control board which makes long term contracts. The United States—

**Mr. Pickersgill:** On a point of order, Mr. Speaker, I wonder whether Your Honour would consider the request of the hon. gentleman before he embarks upon a debate. I think that is the usual procedure.

**Mr. Prittie:** On the point of order, I was merely trying to point out the need for debate at this time.

**Mr. Speaker:** I have listened with great interest, of course, to the remarks of the hon. member. I think he is entitled to make a short explanation. Was he just about to conclude that short explanation?

**Mr. Prittie:** Yes, I was, Mr. Speaker. I pointed out that we have had the reply from the government that nothing can be done, and that other governments have taken action. I suggest finally that we should give some consideration to consumer support prices in the same way we do with regard to producer support prices. The important point is that this matter needs to be aired in the house and not merely in the question period.

**Mr. Pickersgill:** Does Your Honour wish to hear any argument on the point or is Your Honour prepared to make a decision without argument?

**Mr. Speaker:** I am prepared to make a decision. It may not be very popular, but it is my duty. There are at least two points

to be considered. One is urgency and the other is opportunity. Under the heading of urgency may I say that this matter has been talked about, considered and discussed. It may not have been done too thoroughly, but at least it has been raised over a period of several days.

**An hon. Member:** Just like the price.

**Mr. Speaker:** The question of opportunity is, of course, easier to deal with. Surely there will be an opportunity next Monday at the latest. Therefore in the circumstances I do not think that the motion of the hon. member justifies the conditions set out in standing order 26 for the adjournment of the ordinary business of the house for the purpose of discussing a definite matter of urgent public importance. In view of the opportunities which will be available presently I do not believe the motion comes within the conditions required and the general understanding of standing order 26 in accordance with the precedents. Therefore I do not believe the motion is in order.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** On the point of order, may I point out with reference to the question of opportunity that the opportunity of dealing with this matter on Monday to which Your Honour has referred lies almost solely within the purview of the official opposition, since they have the right to move the amendment to the supply motion and that amendment will govern the debate which follows right up until the vote is taken at 8.15 on Tuesday evening. Unless the member is fortunate enough to catch Your Honour's eye subsequently in the very short period between the taking of the vote and ten o'clock, there is really no opportunity to discuss this matter. Therefore the supply motion does not give members in all parts of the house an equal opportunity to raise a matter of such urgent importance as we deem this to be.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, with respect to the point just raised by the hon. member for Burnaby-Coquitlam I would point out that one of the friends of the hon. member who has just sought to adjourn the house was recognized on a grievance as recently as last Tuesday, and did not see fit to raise this question. So this suggestion that there is no opportunity to do it does not appear to be in accord with the actual and very recent facts in this house. It does seem to me that Your Honour's ruling is completely in accord with the practice over the years.

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I would like to draw the attention of the Secretary of State to the fact that this motion is somewhat like one I had last Thursday week, and I delayed it until last Monday or Tuesday so that we could debate it. We all know that the amendment then proposed dealt with nuclear arms and not with agriculture, and after that I did not have the opportunity of catching Your Honour's eye for grievances, when debate turned to the pension plan. The agricultural business is still not discussed, and the St. Lawrence seaway is freezing up. If it keeps up this way the same thing will happen with respect to a discussion of sugar prices, and I believe the question should be discussed today in the house.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, to supplement what the Secretary of State has already said, the opportunity arose for the hon. gentleman in question to speak on this question on the estimates of the Department of Justice, which were before the house last Friday night. That opportunity was taken by the hon. member for Vancouver Quadra to discuss this subject, but neither the hon. gentleman nor I believe any member of his party or any other hon. member of the house took part in that discussion. I suggest that those estimates will be coming up again in the very near future and that they will provide an opportunity for all hon. members to discuss this question.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, this has taken a strange turn. You made a ruling, and following the ruling various members of the other parties have been making statements respecting this matter.

The failure to make any statement at this time is not to be taken as the attitude of the official opposition against this motion. We have been inquiring about this matter ever since the month of March, but without success. However, I suggest that if there is going to be difficulty discussing this matter on the supply motion on Monday or Tuesday, now that the Minister of Agriculture is back in the house possibly the committee on agriculture should deal with this and discuss it at length, because it needs to be discussed and considered. The rise in the price of sugar is beyond anything that can be excused, and this government has done nothing.

## LABOUR RELATIONS

### REFUSAL OF U.S. WORKERS TO LOAD CANADIAN SHIPS

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would ask the

Minister of Labour whether he is in a position to advise the house as to whether there were any Canadian ships in United States ports that have been refused loading opportunities, and whether there are ships designed for Canadian trade in United States ports which have been interfered with, which according to the press is a fact. Then I ask the further question, has he been in touch with the United States administration in the last couple of days in this regard, to protest against what is being continued, and what are the prospects of the objections taken being seriously recognized by the United States?

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, with respect to the harassment of Canadian shipping in United States ports, the most recent incidents that have come to my knowledge occurred on the past week end, involving three ships, the *John Ericcson* in Chicago and two others which were subsequently cleared either at United States or Canadian ports. There was a report this past week that a picket had appeared against a Canadian ship at Toledo, but apparently that ship has successfully cleared the port. We have been keeping a very close eye on this matter, and to my knowledge those are the only incidents reported.

I have made no representations within the past two days to the United States authorities, although I understand that the Canadian ambassador in Washington has been following this matter, and for details I would rely on my colleague the Secretary of State for External Affairs.

**Mr. Diefenbaker:** Possibly the Secretary of State for External Affairs could bring us up to date on this matter.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, as the Prime Minister indicated the other day, this matter has received the attention of the Canadian embassy. Our ambassador is following the matter continuously. There is nothing more to report except that our ambassador in Washington has very recently indicated the continuing concern of the Canadian government in this matter.

REQUEST FOR REPORT ON INJURY TO SEAMAN

On the orders of the day:

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, I would like to ask the acting minister of justice or the parliamentary secretary to the Minister of Justice whether the minister has yet received a report from investigators concerning the injuring of a seaman on the train going back to Toronto several days ago, the man who was taken off the train and hospitalized in Smiths Falls, and other reported incidents of a similar nature.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I am not in a position to answer the hon. member's question at the moment, but I will bring it to the attention of the minister—

**Mr. Pugh:** Only a week has gone by.

**Mr. Macdonald:** —and I am sure we will have an answer for him.

SHIPPING INDUSTRY—REVOCATION OF APPROVAL RESPECTING VACATION PAY ARRANGEMENTS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I would like to direct a question to the Minister of Labour and ask him, in view of his announcement revoking the vacation pay plan, if he can tell the house whether the money that was in the hands of the S.I.U. has now been turned over to the employees.

**Hon. A. J. MacEachen (Minister of Labour):** I am sorry; I did not get the first part of the hon. gentleman's question.

**Mr. Starr:** I would like to repeat it. I asked the minister if in view of his recent announcement revoking the vacation pay plan of the S.I.U., has the money in their hands been turned over to the employees yet?

**Mr. MacEachen:** I would like to take this question as notice, Mr. Speaker.

## NATIONAL DEFENCE

NATO—NUCLEAR ACTION WITHOUT CONSENT OF GOVERNMENT

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. In view of the proposal made by General Norstad that nuclear action should be vested in the heads of the governments of the United States, Great Britain and France, would the Prime Minister give to parliament and the country an unequivocal assurance that Canadian forces under NATO will not be involved in nuclear action without the prior consent of the Canadian government?

**Right Hon. L. B. Pearson (Prime Minister):** I can certainly give that unequivocal assurance. The proposal of General Norstad, which I have read only in the press, seems to be one this government could not in any circumstances support.

*Inquiries of the Ministry*

## LABOUR CONDITIONS

FALCONBRIDGE NICKEL—PROPOSED LAY-OFF OF EMPLOYEES

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of Labour.

Could the minister tell the house whether there have been any changes in the lay-off at the Falconbridge nickel mine.

[*Text*]

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, this matter of course is one for the authorities operating the mine. As I have stated in the house, the employees have made proposals with respect to the sharing of future employment at this particular mine. The federal government told the employees that the unemployment insurance commission was prepared to co-operate with that aspect of the proposal which involved federal activity.

My colleague the Minister of Mines and Technical Surveys has been directly in touch with the management of the mine, and I myself have directed inquiries to the mine expressing concern at the prospective lay-offs and assuring that we were ready to co-operate in the proposal made by the employees.

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, I have a supplementary question for the Minister of National Revenue. In view of the number of personnel involved who are purchasing houses under the National Housing Act, could the minister give his assurance that a moratorium will be declared on payments and that no foreclosure actions will be brought against these people who are purchasing homes under N.H.A.?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I would be glad to take notice of the hon. member's question.

## FISHERIES

BRITISH COLUMBIA—REQUEST FOR FINANCIAL ASSISTANCE TO FISHERMEN

On the orders of the day:

**Mr. A. B. Patterson (Fraser Valley):** Mr. Speaker, I would like to direct a question to the Minister of Fisheries. Has the minister arrived at any decision with respect to the request for emergency financial assistance to B.C. fishermen who are facing extreme hardship because of the very stringent closure regulations imposed this fall?

[Mr. Pearson.]

**Hon. H. J. Robichaud (Minister of Fisheries):** Mr. Speaker, with reference to the last part of the hon. member's question I must say that the extreme hardship facing some of the B.C. fishermen is not entirely due to very stringent closure regulations imposed this fall, as the best part of the fishing season was lost through voluntary restraint by the fishermen concerned. The closure regulations referred to were essential for the conservation of our salmon resources on the west coast.

With respect to emergency financial assistance, I must state that there are no existing provisions within the department for such assistance, and therefore I cannot give an affirmative reply to the hon. member's question.

**Mr. Frank Howard (Skeena):** As a supplementary question, I would like to ask the minister if he recalls that both during 1962 and earlier this year, 1963, it was the contention, by way of a promise of his party, that everything possible would be done to assist fishermen to obtain full time employment by dredging of streams, rehabilitation of salmon spawning waters, the building of harbours, breakwaters and the like; and whether the minister has forgotten this particular promise.

**Mr. Robichaud:** No, I have not forgotten such a promise, and everything is being done to help the fishermen from coast to coast. It is not our fault that they did not fish.

**Mr. R. W. Prittie (Burnaby-Richmond):** I would like to ask the Minister of Fisheries whether he is aware of the fact that those who were fishing during the period of the strike, those not on strike, had smaller catches than average.

**Mr. Robichaud:** Yes, it is true the catch was not comparable to the 1962 catch, but the fact remains that during the best part of the fishing season all fishermen on the B.C. coast were on strike, although some started to fish a little earlier than others.

## CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO INCREASE IN SALARY OF PRESIDENT

On the orders of the day:

**Hon. Paul Martineau (Pontiac-Temiscamingue):** I have a question for the Secretary of State. In view of the widespread report that there has been an increase of from $20,000 to $35,000 or more in the salary of the president of the C.B.C., Mr. Ouimet, will the minister state whether in fact his salary has been increased recently, and if so by how much?

**Hon. J. W. Pickersgill (Secretary of State):** The answer is no.

## BRIDGES

THREE RIVERS—POSSIBLE REVOCATION OF ORDER IN COUNCIL

On the orders of the day:

[*Translation*]

**Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere):** Mr. Speaker, I should like to put a question to the Minister of Transport, of which I gave him notice.

Following his meeting yesterday with Mr. François Nobert, of Three Rivers, and Messrs. Demers and Lemieux, engineers, is the minister in a position to state whether the government intends to set aside the authority given by the former government for the building of a bridge on the St. Lawrence river between Three Rivers and Ste Angele?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** No, Mr. Speaker, I am not ready to make any such statement.

[*Translation*]

**Mr. Paul:** Mr. Speaker, may I ask a supplementary question?

In the circumstances, could the minister make an official statement to clear up any doubt concerning the carrying out of this project?

[*Text*]

**Mr. McIlraith:** Yesterday, Mr. Speaker, I had a meeting with the secretary of the Trois Rivieres Bridge Corporation, and as well a meeting of the engineers of that corporation took place with engineers representing the various federal government departments directly involved. There was a discussion of technical and related matters between the authorities. A further meeting will take place as studies of the problems concerned proceed.

**Hon. Leon Balcer (Three Rivers):** May I ask a supplementary question. Can the minister tell us if he is reserving the same fate for the Three Rivers bridge that was accorded the Gaspe railway?

**Mr. McIlraith:** No, but I have been somewhat appalled at the treatment this subject received from my predecessor in office.

## EXTERNAL AFFAIRS

CUBA—REPORTED ARREST OF CANADIAN CITIZENS

On the orders of the day:

**Mr. O. W. Weichel (Waterloo North):** I have a question for the Secretary of State for External Affairs. It refers to the arrest of Ronald Lippert of Kitchener, which is in my riding, and his associate, both air line pilots, by President Castro of Cuba charging them with sabotage. Will the minister look into this serious charge and extend every assistance to these Canadians?

**Hon. Paul Martin (Secretary of State for External Affairs):** I indicated, in answer to a question put by the Leader of the Opposition yesterday, that the Canadian consul had interviewed the two Canadian prisoners. We are following the matter carefully. The latest report is that they are being well treated. We are now awaiting further information on the nature of the specific charges against them.

## FINANCE

MUNICIPAL LOAN LEGISLATION—REQUEST FOR EXTENSION TO SCHOOL BOARDS

On the orders of the day:

**Mr. Reg Cantelon (Kindersley):** I should like to ask the Prime Minister if he has received a letter from Mr. L. I. Thorson, executive secretary of the Saskatchewan school trustees association, requesting that local school boards be entitled to share the benefits of the municipal development and loan fund. Is he now prepared to consider extending the benefits of this act to school districts?

**Mr. Speaker:** May I suggest that this is a question for the order paper.

SUCCESSION DUTIES—REQUEST FOR INCREASED EXEMPTION

On the orders of the day:

[*Translation*]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, I should like to direct a question either to the Minister of Finance or to the Minister of National Revenue. Has either one knowledge of the recommendations made by the association of trust companies of Canada requesting that exemptions in regard to estate taxes be increased from $60,000 to $100,000, and is it intended to put this proposal into effect in the near future?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I did see something in the newspapers to this general effect, and this is one of the things which will certainly be considered in due course.

## HOUSE OF COMMONS

REQUEST FOR INSTALLATION OF TRANSISTOR RADIOS IN GALLERIES

On the orders of the day:

**Mr. Ralph Cowan (York-Humber):** I should like to address a question to the Secretary of State. Will he advise the house whether

active consideration is being given to installing a small transistor radio under each seat in the galleries so the simultaneous translation of speeches in the house may be heard? This is a system that does not require the use of wires, and worked with a great deal of effectiveness at the national Liberal women's convention in the Chateau Laurier.

**Mr. Speaker:** I am sure the hon. member will put that question on the order paper in due course.

INQUIRY AS TO OCCUPANT OF ROOM 645N

On the orders of the day:

[*Translation*]

**Mr. Gerard Laprise (Chapleau):** Mr. Speaker, may I put a question to the Secretary of State?

Since some members of the Ralliement Creditistes must double up in their offices in the main block of the parliament buildings, could the Secretary of State inform the house by what right a certain individual who is not a member of parliament occupies room No. 645N?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** I will look at the question when it appears in *Hansard* to see what I can say by way of reply.

## PRIVILEGE

MR. OLSON—ARTICLE IN "GLOBE AND MAIL" RESPECTING MEMBERS' OFFICES

**Mr. H. A. Olson (Medicine Hat):** I rise on a question of privilege, Mr. Speaker. On the front page of the *Globe and Mail* today there is a headline which reads "House Speaker accused of flagrant injustice." The headline goes on: "Refused three connecting offices, Caouette calls it national shame."

I should like you to know, Mr. Speaker, that in keeping with the practice that has been followed in this house of granting more than one office to the leaders of groups I, along with our whip, made a reasonable offer to exchange four rooms with the hon. member for Villeneuve and his group for four other rooms. They chose to reject this offer. Therefore, Mr. Speaker, I wish to accept all the responsibility for not moving out of the office adjacent to the office now occupied by the hon. member for Villeneuve, and to absolve you and all of the other officers of this house from what the hon. member for Villeneuve has called a "new national shame", "outrageous injustice" and "ignoble treatment tolerated by the authorities of the federal parliament."

[Mr. Cowan.]

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, with regard to the question of privilege on which the hon. member for Medicine Hat (Mr. Olson) has risen, I wish to state that the title of the article published this morning in the *Globe and Mail* is not the same as the title of the statement I gave yesterday to the press.

The hon. member for Medicine Hat asserts that he has offered us some offices; well, I must say that neither he, nor the members of his group are entitled to offer anything of the kind. Actually, it is only the House of Commons authorities who are empowered to allocate offices, and this very question was discussed in your own office, Mr. Speaker, in the presence of the Sergeant-at-Arms. At that time, 14 offices had been allocated to us but now we only have 12 offices for 13 members. Two members of our group are sharing the same room.

We did not ask for any changes, except for the addition of an office, adjacent to my own room, on the sixth floor. That is all we have asked for, and two of our members are ready and willing to stay in the same office.

However, the hon. member for Medicine Hat wishes to bring about considerable changes; he would like to see some of the members, who are actually in the west block, move to the centre block.

**Some hon. Members:** Order.

**Mr. Caouette:** Mr. Speaker, I am still speaking on the question of privilege.

My hon. colleague for Medicine Hat would also want to see the members of our group who are at the moment in the central building, move to the west block. Now, it is not the responsibility of the hon. member for Medicine Hat to settle that matter.

All we want is a sufficient number of offices for all the members of our group, so that we will be on an equal footing with all the other parties in the house.

We merely ask for justice, and we do not want this question of privilege to be misinterpreted. We do not ask for special favours, we merely ask for a just and fair treatment.

[*Text*]

**Mr. Frank Howard (Skeena):** I should like to say a word on the same question of privilege, Mr. Speaker. It would be very interesting for the house to ascertain if it was the staff of the House of Commons who were employed to remove the picture of the hon. member for Red Deer from the office of the hon. member for Villeneuve.

## POWER

COLUMBIA RIVER—REFERENCE OF TREATY TO HOUSE COMMITTEE

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** I rise with a certain degree of fear and trembling, Mr. Speaker, but I think I am justified owing to the fact that I have a number of constituents who have to make preparations to appear before the external affairs committee, that is with regard to leave from employment, domestic arrangements and so on. Will the Secretary of State for External Affairs inform the house if he expects the Columbia river treaty will come before the committee prior to Christmas?

**Hon. Paul Martin (Secretary of State for External Affairs):** We shall have to wait and see.

## TRANSPORT

GASPE—INQUIRY AS TO STATUS OF RAILWAY PROJECT

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct a question to the Prime Minister. Does the government intend to take action following the brief submitted by the Gaspe North chamber of commerce, requesting the construction of the Gaspe railroad as soon as possible?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** This is a matter with which I cannot deal on orders of the day but I will look into it.

## OLD AGE SECURITY

ACTION BY PROVINCES NULLIFYING RECENT PENSION INCREASE

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 increasing extent to which the recent old age pension increase is being nullified by provincial action would the minister consider making an appeal to the provinces to delay their hand in this matter until it can be discussed at the federal-provincial conference which is called for November 25?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** I would be more than happy to do so, Mr. Speaker.

## HOUSING

REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

**Mr. O. W. Weichel (Waterloo North):** I have a question for the Minister of National Revenue. Many people in Waterloo North and other places across Canada are intensely interested in the possibility of Central Mortgage and Housing Corporation making loans on older homes. Knowing the minister's interest in this question when he sat on this side of the house could he tell the house if he intends to introduce amendments to put such a plan into effect?

**Hon. J. R. Garland (Minister of National Revenue):** Well, Mr. Speaker, I suppose the short answer to my hon. friend's question would be, we must put first things first. However, in view of his great interest in this subject and his courtesy in giving me notice of this question, I may tell him that it has been the policy of this government to take all steps possible to ensure that sufficient new homes are built to meet the needs of Canada's rapidly growing population, and to ensure that these homes are available with the lowest possible cash down payment.

Toward this end, since June the government has reduced the monthly carrying charges by lowering the National Housing Act interest rate, and has lowered the down payment by increasing the amount of loan available. In addition, Central Mortgage and Housing Corporation has been authorized to make direct loans on a very substantial scale in the last quarter of this year in support of the government's winter incentive housing program.

I am happy to inform the hon. member that this program is proceeding very well indeed, and that total housing starts for 1963 will exceed those of 1962. To support this program it will be necessary for the government to make available to Central Mortgage and Housing Corporation approximately $250 million in 1963 for National Housing Act lending. This is additional to the money invested for National Housing Act purposes by Canada's lending institutions. As long as massive support is required from public funds for the new housing program, it would be difficult to extend the facilities of the National Housing Act to all existing housing.

I can assure the hon. member that this matter is given frequent and sympathetic consideration, and when it is possible to announce a change in policy that announcement will be made in this house in the usual way.

*Income Tax Act*

## CITIZENSHIP AND IMMIGRATION

INQUIRY AS TO APPOINTMENT OF DEPUTY MINISTER

On the orders of the day:

**Mr. Frank Howard (Skeena):** Mr. Speaker, I should like to direct a question to the Prime Minister and ask him what plans are afoot to replace Colonel Jones, who I understand recently resigned from the position of acting deputy minister of citizenship and immigration.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, this is a matter of departmental administration. I cannot answer the hon. gentleman's question except to say that an appointment of a new deputy minister to this department will be made very shortly.

## INCOME TAX ACT

The house resumed, from Thursday, October 31, consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 1.

**Mr. Diefenbaker:** Mr. Chairman, at the adjournment last evening the hon. member for Edmonton East was speaking, and he has been kind enough to give way to me, an act which I appreciate very much, knowing as he does that I have an appointment very shortly. Today I am just going to review very briefly and as succinctly as possible the budget situation. I am going to refer to some of the suggestions and plans made by the parliamentary secretary to the Prime Minister who a few days ago visited Vancouver and placed his views before the people of the province of British Columbia. In view of his propinquity to the Prime Minister I am sure those views represent a degree of official thinking.

I am not going to deal with the budget in detail. I think it can be said that the budget introduced by this government pursuant to the Pearson plan which was four years in preparation has been subjected to more criticism than any other similar document or plan which has ever been presented in Canadian history. The trouble with it is that the Minister of Finance says this has been covered over and over again. I ask, what has been covered? The budget that was born with hope has become abortive with the passing months. It is difficult to know just what remains today of the budget, for as soon as various sections were assailed the government withdrew them. This has been a budget noted not for what it provided but for what has been withdrawn from it.

The minister said there had been 15 votes of confidence this session. Well, they have not been votes of confidence on the budget submitted by this government. The longer the delay in finally presenting the bill in question to implement the budget, the greater the withdrawals and retreats, the alterations and changes. The minister stated that business people in Canada should know what the budget will do, and that this bill should be passed. Certainly business people and people in general have been asking over and over again what manner of nonsense activated the Minister of Finance in bringing in the budget in question. This bill is to implement some of the remaining remnants of the budget which was introduced with such cavalier arrogance only a few months ago.

This budget which was introduced rocked Canadian business. It interfered with the operations of Canada's capital market. It shook up the stock exchanges of Canada. It destroyed confidence, and all of this in a few months. The Minister of Finance smiles. I am not going to read what Mr. Kierans thought of it, and he is one who certainly has not been a supporter of this party and is today a minister in the government of Quebec. Any time the minister feels like smiling over the debacle of his budget I need only refer him to a reading of the views of Mr. Kierans.

This budget which was produced went underground; now it is coming back to the surface in bits. It brought about an erosion of relations with the United States. Never in the history of this country has a document such as the budget done more to harm our relations with the United States. All the honeymoon of Hyannis Port was dissipated in a few short weeks when, without any justification, a 30 per cent sales tax on foreign purchase of securities was introduced in this house by way of suggestion.

Then the next plan was to buy Canada back, and the government is trying to do this on the instalment plan. Over and over again the minister used to speak of buying Canada back. While on the one hand one minister takes that stand, the other minister, the Minister of Trade and Commerce, goes across the country speaking about free trade with the United States. He invites investment in Canada. The Secretary of State for External Affairs says we will welcome the new co-operation and partnership between the United States and Canada in connection with development. While these hon. gentlemen speak in that way the Minister of Finance does everything possible to undermine and destroy the probability of investment within our country. He speaks of confidence. I ask, how many changes have been made? Here is a government which introduces a budget

and then has no confidence in its own financial policy. It withdraws, it revamps, it revises, it removes whole sections. There is little of the original budget left intact.

I am not going to deal with the budget in detail except, so far as it is necessary, to refer to two or three portions of this bill which are completely unworkable. Neurotic nonsense is comprised in clauses 28 and 16. Clause 28 deals with the degree of Canadian ownership and control, and the hon. member for Simcoe East dealt with this matter yesterday. I ask anyone to read section 139A of the act and make any sense of it at all. That section can only detrimentally affect Canada, investment in Canada and the expansion of Canada. With regard to clause 16, which is amending section 71A relating to manufacturing or processing businesses and the action to be taken in that regard, subsection 3 is entirely unworkable; and if the interpretation which has been given to it is correct it is meaningless in so far as achieving the purposes for which it was intended.

The businessmen want to know, he said, what the rules are. Sir, no government in so short a time has revamped and retreated in the way this government has done. Here is all that remains of Bill C-95. The minister said it has been fully debated. We discussed the budget. It was debated and voted on, and then the minister's own colleagues showed they had very little confidence in their own budget. In fact they voted non-confidence in it by the changes which were made.

I was very much interested to read the views of Mr. Bruce Hutchison, who in a sense is the philosopher and soul of Liberalism. He was here in Ottawa recently, and he wrote a series of articles on the Ottawa scene. He felt there were differences within the cabinet. He said the cabinet is apparently divided between those who are practical and those who are theoretical. He writes this:

> To say that the government is turning to the right would be a misleading definition but certainly it is turning toward more practical policies as the real power of the inner cabinet is flowing from the academic to the practical men.

I do not want to engage in a Gallup poll to find out which are the practical ones and which are the academic ones. Oh, the Secretary of State identifies himself as being that. Now is there anyone else who wants to join with him by way of identification? The hon. gentleman, for one, has admitted he is not practical. What about the Minister of Finance? Is he in the academic group? The article goes on to say:

> There is the nagging problem of the budgetary deficit likely to be as large this year as last, or larger. If it lives by debt in the present magnitude, says Mr. Gordon, Canada will land "on the rocks." How is he to arrest this rake's progress? By cutting costs? By higher taxation? Or by waiting for economic growth?

Then it goes on:

> Canada's economic relations with the United States are gravely misunderstood by most Canadians, including some members of the cabinet—

This is the man who worships this government. He says some of you people opposite are impractical and you are getting behind. I wonder if the Minister of Finance is in that group. I hope he stays in his place. I do not like to see him criticized. I made a forecast recently that he would be out. The only reason he is still in is because I made that prediction.

**Mr. Pickersgill:** Is that the reason you did it?

**Mr. Diefenbaker:** No, I have not yet got any of that practical sense which characterizes the Secretary of State at all times. That would have been his way of going about it. But I am glad the hon. gentleman admits that in the conclusion I just came to I was speaking correctly.

Do you remember how the businessmen across Canada used to worship at the Gordon throne? They said "There is a man. There is a leader." During the four or five years when we were in office they said "We will put him on a pedestal. He has a plan." Does the minister remember that?

**An hon. Member:** He fell off the pedestal.

**Mr. Diefenbaker:** He now joins the ranks of the academic. Remember, Mr. Hutchison was down here; he saw the Prime Minister, and it has leaked out that he whispered in the Prime Minister's ear that Gordon must go. That is the report which is general across the country. Well, he says that certain ministers are growing fast.

**An hon. Member:** Fat?

**Mr. Diefenbaker:** I am not going to argue that. I am just quoting Mr. Hutchison. He says certain ministers are growing fast. If I asked for a Gallup poll on that, they would all be standing. But Mr. Hutchison says this government is changing from the academic to the practical. Well, what have they done about relations with the United States? I remember that the Prime Minister said on March 27 in Regina:

> A new Liberal government will not as at present irritate them—the United States—gratuitously in a way which hurts our own country.

The Secretary of State for External Affairs put it in more grandiloquent language when he spoke to the Lions International in Miami:

> Investment from abroad is as welcome today as ever. I assure you it will always be fairly treated in Canada.

While he was saying that, the Minister of Finance was plastering a 30 per cent sales tax on securities. The Secretary of State for External Affairs—I have a great affection for him; he is a dilettante with language; he can make you believe anything when he gets up with his smile—went on to say:

> We want to provide for effective and harmonious participation for foreign investment in Canada.

No wonder Bruce Hutchison says the division between the practical and the academic is rapidly disappearing by the removal of the academic from power within the cabinet.

Then there is the Minister of Trade and Commerce, who had this to say in Chicago on June 20. He is reported as follows:

> Mr. Sharp said last week's Canadian federal budget dealing with foreign investment in Canada set guide lines for United States investors in Canadian enterprises and proposed legislation to permit closer partnership.

I do not intend to quote what every financial paper in Canada and the United States has said, that this drives out investment. What has been the result of their actions? What is their idea of Canadian-United States relations? The Prime Minister gave his definition when he spoke at the Iron bridge as reported in the Kingston *Whig-Standard* on August 20:

> As free people in what is left of the free world we are all fortunate in having as our neighbour a great democracy. It has to lead us.

On one hand one of them says "Let us restore to Canada the right to determine her economic future" and on the other the Prime Minister says "We want to run our own affairs but we shall have to let them lead us".

**Mr. Nielsen:** By the nose.

**Mr. Diefenbaker:** Then there was the budget. Do you remember how it came in? Everybody was agape. The four year plan we had heard so much about was opened. Somebody once said in this house—his classical information was not very correct—that the Minister of Finance opened Pandora's box and out stepped the Trojan horse. That was used many years ago, that particular phrase, but certainly when the treasury box was opened on the day of the hon. gentleman's budget, out stepped a Trojan horse, the Trojan horse which was going to control United States investment from within.

What a record it has been. President Kennedy decided to impose a tax of up to 15 per cent on Canadian stock issues floated in the United States. He did so. Then what happened? There was another pilgrimage to Washington. Down they went for what the Prime Minister described as diplomatic discussions. They said "You can't do that to us".



Then hon. members will recall all that was said about the car parts. For three long years we heard about the hundreds of millions of dollars which these car parts would produce for Canada if manufactured here. They said "We are going down there to tell the secretary of commerce and the administration in Washington exactly where we stand". Three or four ministers went down. Then they came back and said the United States did not understand them. Then the United States congress killed a United States defence order for the Canadian Caribou transport plane. "Buy Canada back" is what the Minister of Finance says. The *Financial Times* in an article on August 19 said this:

> Ironically, what Mr. Gordon had to change was the Liberal economic policy of the "boom decade" of 1945-1955. This resulted not only in an almost complete surrender to the need for foreign capital which permitted it to enter Canada on its own terms, but in an indifferent commercial policy which failed to prevent foreign imports from seizing sizeable portions of the domestic market.

From 1945 to 1955 they gave Canada away, and now one of their ministers is talking about buying it back. Do I overstate the case? I have to leave in a few minutes, so I will have to give my speech in serial form, as the budget was introduced. We have been getting it by sections. First they produce a bit and then there is criticism. Then they withdraw; then they substitute.

Somebody will say that I overstate the case. I am going to call the best possible witness. I wish to refer to the Canadian-American committee, an organization with quite a few Liberals in it and the odd Conservative. I look at the list of names of the members and I am going to take the first one. I know that hon. members will want to look at some of the others. The first one is Robert M. Fowler, president of the Canadian pulp and paper association and one of the proud bastions of Liberalism. We were always wrong when we were in office. We were anti-American. There is quite a collection of names here. This is interesting. One of the members is Donald Gordon, chairman and president of the Canadian National Railways. He joined in the work of this committee.

I might as well give some of the other names: Harold S. Foley of Vancouver; Mr. Heffelfinger of Minnesota; Vernon Johnson of Montreal; David Kirk of the Canadian Federation of Agriculture, Ottawa; W. S. Kirkpatrick—there are some Conservatives here—of the Consolidated Mining and Smelting Company; Herbert Lank; M. W. Mackenzie, chairman of the board of the Canadian Chemical Company and always a devoted friend of the government of today; Norman MacKenzie of Vancouver; Jean

Marchand, president of the confederation of national trade unions, and so on. Here is Senator McCutcheon.

**Mr. Pickersgill:** A great Liberal.

**Mr. Diefenbaker:** There had to be the odd Tory in the whole lot. I wanted to show the mix. What did these people say? Mr. Fowler is the first on the list of signers of the statement.

The Canadian budget of June 13, 1963, proposed a number of measures having adverse implications for United States private investment in Canada. Regardless of the reasons which impelled the Canadian government to take this step, its net effect will be to impose discriminatory tax treatment of foreign investors in Canada, thereby negating one of the fundamental principles of a free capital market.

They are still doing it. Troubled Canada. I wonder how often the Minister of Finance reads his theorizing of past days. Troubled Canada.

Although the proposal was substantially modified both administratively and substantively during the weeks following the presentation of the Canadian budget, the remaining provisions still clearly involve not only administrative complexities but also discriminatory tax handicaps for a broad range of Canadian industries.

Many of these men are supporters of the Minister of Finance and the Prime Minister. The Prime Minister cannot disavow this. He kept telling us "The Minister of Finance has got a plan. Just wait. We are not going to act spasmodically; we are going to act effectively. We have got a plan." What did the Canadian-American committee say?

In consequence, they—

The discriminatory handicaps.

—have already generated uncertainties with respect both to business conditions in Canada and to the outlook for the Canadian balance of payments—Indeed, even before the implementation of these two proposals—

The Canadian and the subsequent American one.

—they have had adverse consequences upon both economies through the confusions and uncertainties which they have generated. The damage already done and the further harm they will inflict if put into effect are of four kinds.

Then the statement sets out what will happen.

—they will tend to inhibit and to complicate the development of closer and freer trading relations between the two countries.

While the minister does this the Minister of Trade and Commerce is giving an interview the day before yesterday, as reported in *La Presse* of Montreal under the headline "Free Trade With the United States" with a question mark after it. "This is not Puerto Rico", he said. While the one interferes with our trade and expansion the other, who may be the practical one, talks of what is going to be done to bring about closer relations. The statement of the Canadian-American committee goes on to say, and I emphasize this:

—the tensions and uncertainties produced in financial relationships will undoubtedly spread—indeed, are already spreading—to other aspects of Canadian-American economic relations. A retreat from interdependence in one area will inevitably precipitate retreats in other areas.

Sir, can you imagine a stronger, a more incisive, a more definite criticism of the very things we are asked to pass? What remains in this bill are the remnants of a budget that has been chiselled down, altered and changed. Yet there are two items still in the bill that are part and parcel of what Bruce Hutchison has called the academic philosophy and economic quackery that have found a place in the budget.

I am not going back over the circumstances under which the budget was prepared. It was generated in suspicion of the civil servants. The three whiz kids were brought in, but even after all the examination that has taken place these dangerous items that were pointed out by the Canadian-American committee still remain in the bill.

A Canadian delegation went to Washington in September to seek some kind of new deal to balance our trade. When they returned it was said they had found that the United States showed no understanding of the Canadian problem. There has been a frightful degradation in our relations with the United States in a few months, all of it going back to the tinkering that went on in the preparation of the budget.

The Prime Minister spoke in Halifax on October 22 and said, to use his words, "There is a continuing dialogue going on between the United States and Canada". I am not going to argue about the fact that it is a dialogue in which the Americans tell us what we should do and as a result of which we, because of the theoretical bungling of these makers of the budget, entered into schemes that had never been weighed by economists or by civil servants. Dialogue. When they went down there a high official, speaking of the Canadian idea that was presented, said "Their ideas are screwy".

You will remember, Mr. Chairman, how a few short months ago all was going to be changed. There was going to be no more trouble. In a matter of six months Canada's position in relation to the United States and internationally has been degraded as never before; all because, according to Bruce Hutchison's definition, the theorists took over and the practical men were kept in the background. But these practical men are coming to the fore, Mr. Chairman. What is going to happen to the theorists? Rumour has it there

are going to be some changes, some translations, some removals, some alterations, some revisions. It is too bad they did not take place before we had this legislation brought before us.

I said I might be dealing with some of the other clauses, and stated I would give a general outline of what we are being asked to do in passing this bill. The Minister of Finance has said that we have had a number of votes on this legislation. We do not expect to defeat the government on it. Even if it would completely destroy the economy of Canada some of my hon. friends sitting to my left would support the government on it.

You may take it, sir, that my hon. friends in the New Democratic party, who regularly utter those pious ejaculations that they alone keep parliament going, would possibly not vote on it; and when it comes to the party headed by the hon. member for Red Deer, his banner bears this strange device "Right or wrong; always right." The government has nothing to fear.

We have opposed these sections of the budget which are translated into the bill before us. We shall continue to do so, but we will not in any way hold up the legislation. We have tried to do that which business in every part of Canada has asked be done, business which just a few months ago was the best friend of the Liberal party, but we have not succeeded.

I have simply spoken to summarize the situation, and to point out that the provisions which will close the loopholes of evasion receive our support, but those that deal with the question of investment are ill adjusted, ill considered and dangerous to the economy of Canada.

We have had our say on this. The government will now go ahead, with the assistance of its allies, and pass the bill, but business has warned against it. People who ordinarily would not take a partisan attitude, such as those on the Canadian-American committee, have warned against it. We have warned against it; but now the government, in the discharge of its responsibilities, will put these measures into effect, and as a result the change from the theoretical and the academic to the practical will be once more intensified.

**Mr. Gordon:** Mr. Chairman, I had hoped we might get down to a discussion of the clauses of the bill one by one, and that we might even pass clause 1, but the Leader of the Opposition has chosen to repeat, with very little change, a speech that we have heard on several occasions in this house. It seemed to me he was replaying an old record that is getting cracked.

[Mr. Diefenbaker.]

I must say I was surprised that, on this week of all weeks, he referred again to those of us who on occasion have expressed our views in books. He did not mention biographies, but I suppose a good many of us were thinking of a recent biography when he made that particular crack.

The Leader of the Opposition said little about the bill, and to me it appeared that he was just indulging in another of his political offerings. In the course of it an hon. member opposite sent me a verse which I think is appropriate, and with the permission of hon. members I would like to read it. It is very short.

**Mr. Diefenbaker:** The authorship?

**Mr. Pickersgill:** You do not have to give the author. You take the responsibility for it.

**Mr. Diefenbaker:** No, the author. If the hon. gentleman produces a document he has to give the authorship.

**Mr. Pearson:** Shakespeare.

**Mr. Gordon:** I think, as the Prime Minister has just said, this is a Shakespeare piece but I cannot vouch for it. If I am allowed to read it then perhaps some hon. gentleman opposite might know the author. I think it is appropriate in the context in which I read it; because as I have just said I was rather disappointed that the Leader of the Opposition should make another of his political speeches at this stage in the deliberations of the bill. This is the verse:

> I went to him and "Sir," I said
> "I really beg your pardon,
> But what is it you actually do
> With the mole-hills in your garden."
>
> "I'm making mountains of 'em, child
> For lawyers and physicians
> For soldiers and committee-men
> Old maids and politicians."

**Mr. Diefenbaker:** You should have quoted "Man, small man, drest in a little brief authority."

**Mr. Gordon:** That is perhaps the small man's Shakespeare. I do not intend to speak for more than two or three minutes, but a lot has been said about the budget and the other economic measures the government has sought to introduce. I would like to remind hon. members—

**Mr. Diefenbaker:** If I might rise, Mr. Chairman, I have to go to a luncheon which the Governor General will attend, and I will take the hon. gentleman's speech as read.

**Mr. Robichaud:** Small again.

**Mr. Pickersgill:** It isn't necessary to be rude about it.

**Mr. Gordon:** I hope the Leader of the Opposition has an excellent lunch, and I hope the Governor General has a nice time too. Now I want to get back to the budget and the other economic policies that the government has sought to introduce. I would remind hon. members that the Liberal party was elected on a progressive platform, and that this has been a great week for the government, the Liberal party, and for Canada.

I would remind hon. gentlemen opposite of some of the measures that have been brought to fruition within this last week. We were pleased and proud to be able to announce today that the municipal development and loan fund has now been approved by all the provinces, that it is now in operation, and that the money provided by parliament is now available to municipalities throughout the country to provide more jobs this winter.

I would remind the right hon. gentleman who is now having his lunch that we were delighted a week ago to be able to announce the automobile policy which some of us on this side have advocated for quite some time, and which we believe will not only be a move in the direction of correcting the very serious imbalance in our balance of payments but in addition, and of even more importance, will provide thousands of new jobs for the people of our country.

Some of the main budget proposals that are incorporated in Bill C-95 have been approved in principle by a large majority of the House of Commons. As I remember it, the vote was 126 to 78 on second reading.

**Mr. Knowles:** There was no vote on second reading.

**Mr. Gordon:** Well, on the amendment. If I remember correctly, on second reading nobody voted against it.

**Mr. Churchill:** It was "on division".

**An hon. Member:** You were afraid to vote against it.

**Mr. Churchill:** On a point of order, Mr. Chairman, the minister has made an error.

**Mr. Pickersgill:** Nobody voted against it.

**Mr. Churchill:** It was "on division", which indicated there was not unanimous consent.

**Mr. Pearson:** Why didn't you call for a vote?

**Mr. Gordon:** Mr. Chairman, I did not mean to get into a childish wrangle as to who said what at what time. The fact is that the bill has been approved in principle.

I would remind hon. members of what this bill seeks to do. It seeks to plug some flagrant loopholes in the Income Tax Act. It provides very important incentives designed to increase employment and production in those areas of the country that have suffered from slower growth. I did not find that there was much support for the hon. member for Digby-Annapolis-Kings when he suggested this provision did not apply to his part of the country. I think most people from the Atlantic provinces feel that industry should be encouraged to locate in those areas. Certainly I believe so.

Third, this bill provides for certain changes in the withholding taxes on interest and dividends that are designed to make it easier for Canadians to borrow in the United States at lower rates of interest than would otherwise be possible, and at the same time to encourage those with substantial investments in this country to take steps over a period of years that would gradually make it possible for Canadians to be included in their enterprises. These are policies that we on this side of the house are very pleased about, and I for one am proud to have brought in a budget which incorporates them.

Having said that, I hope we can get back to clause 1 of this bill.

**Mr. Skoreyko:** I started to make my remarks last evening, Mr. Chairman, and I promised the minister then that I would only take a minute. I intend to pursue my argument later during the clause by clause study of the bill. I am very concerned with the section to which the Leader of the Opposition made reference a moment ago, clause 71 (a).

In recent days a matter has been brought to my attention, and I should like to place it before the minister. It is apparent that a group of businessmen have formed a company for the purpose of manufacturing boilers in Brantford. They were told by their advisers that they should immediately consult with the tax department to determine whether used machinery could be purchased for the production of these boilers, and if this were done whether the firm would qualify for this special assistance. They were told, sir, that 95 per cent of the equipment had to be new.

I know that the minister is closely connected with business. He is a business consultant.

**Mr. Gordon:** I rise on a question of privilege, Mr. Chairman. I should like to point out to the hon. member that I am not a business consultant; that I have no business connections. I severed all my connections when I took this post.

**Mr. Skoreyko:** I apologize, Mr. Chairman. I only made that reference because I knew the minister had previous experience in the business world. I am just wondering if the

minister would not reconsider this particular provision. In view of his experience in the business world he can appreciate the fact that many firms starting in business today must, to some extent at least, acquire used equipment. I hope that later on in the debate I shall be able to deal with this point in greater detail. At the moment I leave this for the minister's consideration.

The other problem with which I wish to deal concerns the selection of one spot in the province of Alberta as a designated area. I refer to the town of Blairmore. I appreciate the fact that the town of Blairmore has experienced many difficulties in the last few years, mainly because of a lack of markets for coal, but I suggest there are other areas in Alberta that might well be considered in the selection of these designated areas. I think my colleague the hon. member for Jasper-Edson made reference to the town of Hinton. This is a relatively new town in which some 3,000 or 4,000 people are employed. The only industry there is the pulp and paper industry. Should anything happen to the market for paper we would have a situation with which it would be hard to cope. I would ask, then, that the national employment service re-examine their initial submissions to the minister to see if some more of these cities—I do not want to mention any more by name—in the province of Alberta should be designated.

**Mr. Kindt:** I just want to add a word or two about the slow growth area of the Crowsnest pass. It is not only the town of Blairmore which is within the area of the unemployment office located at Blairmore. In other words, this particular unemployment office looks after Pincher city—not Pincher Creek, but Pincher city—Cowley, Lundbreck, Burmis, Frank, Bellevue, Hillcrest, Blairmore, Coleman, Fernie and so on.

**Mr. Pickersgill:** All aboard.

**Mr. Kindt:** Well, it is only fair that the people out there be informed. If the government is not going to inform them then it is my duty to do so. I say to the Minister of Finance that so far he has failed in his duty. I am taking this opportunity, on the floor of this house, to bring this to the attention of the people out there. They have been writing me about it. I hope that what I have had to say will clarify the matter, in spite of the smiles and so on of the minister to your right.

I should like to comment on one other problem, and that is the stipulation that 95 per cent of the equipment of a factory must be new in order to qualify under this provision. The Minister of Finance knows that when an industry is started especially if it is a small industry, it must rely on second hand equipment. As my hon. friend knows, there are many costs connected with setting up a new business. If these new industries which wish to locate in areas of slow growth must buy new equipment in order to qualify for these benefits under the act, many of them will be prohibited from locating in slow growth areas through lack of capital. I suggest to the minister that he take this particular provision under advisement and reconsider his position in respect of the amount of second hand equipment that is permissible for qualification.



**Mr. McCutcheon:** Mr. Chairman, it is unlikely that I can add very much in a material way to this debate. I am not so naïve as to think I can, since this is my first attempt at participating in the debates of this house. I should like, however, to comment on the magnitude of the estimates that have been brought forth by the Minister of Finance.

The figures stagger a layman such as I am. If my memory serves me correctly the minister said that the revised estimates were up $6 million over the original estimates, yet certain items had been erased or removed. We all realize that costs in general are going up, but are they going up this much? There is no question in my mind but that the present government have done some things. They have certainly increased our taxes; there is no question of that. Excise tax is up and income tax is up.

Going a little further, I should like to comment on the fact that over the past many years much discussion has taken place about federalism and whether or not it works. There was a period when some governments centralized while others did not. It turned out actually to be a tug of war between provincial and federal politics. Some federal governments centralized and others did not. I am led to believe from what I have read that the Liberal party was supposed to be by tradition a provincial rights party. However, recent actions by this party have proven correct the statement made by the hon. member for Northumberland about the need for more centralization in government; and, indeed, in her remarks in the debate on the address in reply to the speech from the throne another word was used to describe the situation. I refer to the word "collectivism".

Since then we have had issued, or seen issued, a tremendous proliferation of bureaucracy, with boards, departments, agencies, etc., which in my opinion has caused much unnecessary money to be spent. For example, we have the designated areas—some people

call them distressed, others call them depressed—and these areas were designated before the people in them knew what was going on; they had to read about it in the newspapers. We also have our new Department of Industry, and I wish it well. Our Canada pension plan is costing more money. Then we have the municipal development loan fund.

**Miss LaMarsh:** I wonder if the hon. gentleman would permit a question. Could he advise the house in what way the Canada pension plan, a matter which to date has received only one day's debate on the resolution, is costing the country more money?

**Mr. McCutcheon:** I will come to that in a moment or two, if the hon. lady would permit. I should like to refer to an editorial in the *Financial Post* for September 28, which states:

> Why doesn't Ottawa give the taxpayer the unvarnished truth? Why not tell him that when the pension scheme is going full blast it will cost another $850 million a year on top of the $750 million now being collected to pay for our existing $65 a month?

Then it indicates that now the pension has been raised to $75 a month it will cost $865 million.

Up to now no one that I have heard in this house has offered any suggestion as to ways and means of cutting down costs. What has happened to the Glassco commission report? What has happened to its findings?

**Mr. Pickersgill:** What has that to do with this bill?

**Mr. McCutcheon:** May I call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 2.30 p.m.

**Mr. McCutcheon:** When we broke off for lunch I had just commented on the fact that during my short stay as a member of this house no one, to the best of my recollection, has ever suggested that we should attempt to reduce our overhead expenditure. All our spending seems to be justified by a sociological approach; the idea seems to be that if we dump some money here it will have a magical effect on the economy somewhere else. This seems to me an artificial approach, and I should like to ask when this government will realize, as the business community has already realized, that it is impossible for anyone to spend himself rich.

What has happened to the findings of the Glassco commission? Last November, a year ago, my right hon. friend from Prince Albert, who was then prime minister, said the government was prepared to adopt most of the suggestions made by the commission. He instructed the minister of trade at that time, who bears the same name as myself, to take charge of implementing the proposals. Things were being accomplished. The commission showed that it is possible to effect a reduction in the expenditures of this government of between $300 million and $450 million a year. An editorial writer has suggested this could mean a reduction in taxation amounting to as much as $440 million. Let us examine some of the savings which were proposed. The replacement of servicemen by civilians in non-combatant defence department jobs wherever possible was thought likely to save $20 million. Here is a recommendation which appeals to me; an improvement in methods of paper work and office procedure could save $50 million annually. What has happened? Nothing that I know of. I should like to read, in this connection, a paragraph which appeared in the London *Free Press* of September 9, 1963:

> All sorts of reasons can be given why specific recommendations can't be carried out. But no alternative suggestions for cutting a way through the administrative jungle have been heard. And no real improvement in the federal government's financial position is possible without savings somewhere.

The Vancouver *Province* also had a comment to make on this situation in an article which appeared on September 17, 1963:

> It now seems that Mr. Pearson's Liberals may allow these recommendations to gather dust in some government pigeonhole.

We hear figures running into millions of dollars bandied about freely in this house. They are so huge, so astronomical, that I cannot fathom exactly what they mean. So I must come down to my own level, the level of a common person dealing with hundreds or thousands of dollars. In my constituency, for example, we have a village where there is a post office in rented premises. The post office is in the town hall in this small community. I mention this point because it relates to what I have previously said about the proliferation of bureaucrats under this government. A few weeks ago the council of this municipality approached me and said "We are receiving a small rent from the Post Office Department for space in our town hall; just a few hundred dollars a year, but it helps us maintain the village hall in this community. But the federal government has sent some people here and they say we must have a new post office. We really do not want one and we should like

to continue on this rental basis. It will save us some money as taxpayers, and the post office is adequate for our needs."

Well, we have a bureaucracy. There is no question about that. I wrote to the Postmaster General enclosing a copy of the minutes of the council meeting in this small place and pointing out their wishes to him. I received a very nice reply from the Postmaster General, and I should like to quote one paragraph from it to show what I mean about bureaucracy.

> I should explain that in communities such as this it is the responsibility of the Department of Public Works to provide us with our accommodation. It is the prerogative of that department to decide whether the accommodation will be provided by leasing or by the construction of a crown owned building and we cannot direct the action which they take.

To me it seems strange that the Postmaster General himself cannot handle such a simple request, a request which concerns his own department, but has to succumb to the rigidity of bureaucracy and turn over the request to the Department of Public Works. Not only has this government increased the degree of bureaucracy in this country, but it seems to have made it more rigid as well, coming into conflict with the recommendations of the Glassco commission in the process.

I should like to close by reading a comment which appeared in the Amherst *Daily News* on September 18, 1963:

> Mr. Walter Gordon used to warn us that unless the national budget soon moved toward balance, Canada would find itself "on the rocks".
>
> Now, with Mr. Gordon our finance minister, hardly a day passes without a government promise of some new expenditure.

As far as I am concerned this newspaper quotation seems to sum up the situation perfectly. I have one more from the Edmonton *Journal* of September 19:

> —it lies within the power of our own federal government to make two moves which would help to keep the economy moving strongly upward in 1964.

I mention the first one with my tongue in my cheek.

> One is a change in the ministry of finance. The other is the introduction of economies in federal spending. The latter would give some real evidence of government determination to start reducing the deficit position.

**Mr. Macdonald:** Mr. Chairman, I should like to raise a point of order. In view of the fact that the address we have just heard was the maiden speech of the hon. gentleman, on which I congratulate him, no one on this side raised a point of order with regard to the fact that he encompassed a very broad subject matter, much broader than he would have been permitted to do even on the resolution stage. However, I would hope that the more senior members of that group would not consider this a licence to follow the same broadness of subject matter at this particular time. May I also say that some three hours and three speakers ago the Leader of the Opposition solemnly undertook that we would now proceed to a point by point consideration of the various clauses in the bill, and I would hope that particular promise could now be lived up to.



**Mr. Churchill:** Mr. Chairman, I wonder what your ruling would be on this bogus point of order.

**Some hon. Members:** Oh, oh.

**Mr. Churchill:** If points of order are to be raised in the house they should have some basis in fact. There is no point of order here at all. It is simply one member's opinion with regard to the debate, and it deserves absolutely no attention.

**Mr. Macdonald:** On the point of order, if there was no point of order, as the hon. member said, there was no basis for him rising and speaking.

**The Chairman:** Order. May I suggest that we return to the bill.

[*Translation*]

**Mr. Ricard:** Mr. Chairman, I still have a few remarks which I would like to make in connection with the municipal development and loan board.

The legislation seems to be filled with so many inaccuracies and defects that it is my duty to take a few minutes to point out some of these irregularities.

As you know, this measure of federal assistance to municipalities is intended to relieve unemployment. According to this legislation, $400 million will be divided among the various provinces in order to assist municipalities.

[*Text*]

**Mr. Benson:** On a point of order, may I raise the question as to what the municipal development and loan fund has to do with Bill No. C-95 which we are now discussing, and which comprises amendments to the Income Tax Act?

**Mr. Churchill:** It was mentioned by the Minister of Finance.

**Mr. Ricard:** As my hon. friend has said, it has been mentioned by the Minister of Finance, and I see nothing but a disguised measure of closure in trying to prevent me from speaking on this matter.

**Mr. Macdonald:** Shame.

**Mr. Ricard:** However, I shall continue and put on the record the few remarks I wish to make with regard to the measure before us.

**Mr. Macdonald:** Another broken promise of your leader.

**Mr. Ricard:** Of the government, yes.

**Mr. Macdonald:** Of your leader.

[*Translation*]

**Mr. Ricard:** Mr. Chairman, if one looks at the way the bill was drafted, one can find several flaws. To give one example, the communities that need the least assistance, in proportion to the number of unemployed to be found there, will actually be the ones to get the most. For instance, if we consider the amount of help Ontario and Quebec can get, we see that Ontario will be able to obtain $160 million, while Quebec will only be granted a loan of about $115 million.

Statistics for the month of September show that Ontario had 72,000 unemployed, while there were 108,000 in the province of Quebec.

If you take the maritimes, with a total population of approximately two million, you find that this part of the country, which usually has the greatest number of unemployed, is the one that will get the least assistance from the federal government.

To give the house some further information, I might say that the maritime provinces will only be able to receive around $40 million. On the other hand, the prairie provinces, where there is hardly any unemployment, will be entitled to $70 million under this measure designed to curb unemployment.

Mr. Chairman, I will have to say it again, not for the pleasure of it but rather because it is my duty to do so. We are studying at present a piece of legislation which was prepared in a hurry and which does not take the needs of the people into consideration.

In order to illustrate what I mean I should like to refer to a recent newspaper report which gives the opinion of the Quebec minister of municipal affairs, Mr. Pierre Laporte, who said, as reported in *La Presse* of October 30 last:

> I repeat that the provincial government still considers that agreement as an expedient.

Now, Mr. Chairman, you will agree with me that if the minister for municipal affairs of the province of Quebec feels that this measure is only an expedient, it means that the provinces expected much more from a government, from a Minister of Finance who had led us believe that, once in power, they would quickly solve all our problems and would eliminate unemployment by granting the municipalities and the provinces all the help they expected. But the facts must be faced and they are not as reassuring as the Minister of Finance (Mr. Gordon) would like us to believe. And we are unfortunately obliged to point out again and again to the minister the defects in the act.

If the government had thought things over instead of acting with such haste, if they had really considered some fair legislation before presenting it to the provinces, they would have first prevented a general outcry on the part of four of them and then, they could have set criteria much fairer for the municipalities.

Without entirely discarding the demographic criterion, I think it should be replaced by the average number of unemployed people. Seasonal unemployment could be taken into account in order to apply suitable remedies.

Mr. Chairman, this legislation originally designed to alleviate unemployment only takes into account the location of unemployment in its enforcement, and if the minister actually wishes to serve the people in general, if he really wishes to help the municipalities and the provinces, he will act as he did before, he will withdraw this legislation and direct his officials to study all its features in order to offer to the house and the population a measure which will actually be free from the shortcomings and the flaws which we find in the legislation which we are being asked now to carry.

Mr. Chairman, I hope that the minister, if he is really prepared to discharge his responsibilities, will take into consideration the few remarks I just made and that he will review thoroughly this measure so that it serves the purpose for which he intended it at the outset.

[*Text*]

**The Chairman:** Shall clause 1 carry?

**Mr. Douglas:** Before clause 1 carries I should like to say a few words. The measure before us has two main features, and I want to say only a few words about each of them.

The first feature has to do with giving certain tax concessions to those companies 25 per cent of whose shares are owned by Canadian residents. I was surprised to hear the hon. member for Digby-Annapolis-Kings describe this the other day as an anti-American measure. I have the feeling that the Conservative members have great difficulty in making up their minds as to what they think about the government's handling of Canada-United States relations. On Monday, Tuesday and Wednesday they accuse the government of being subservient to the United States by taking instructions from Washington, and on Thursday, Friday and Saturday the government is anti-American because

it is endeavouring to do something about restoring some control of the Canadian economy to the Canadian people.

I think the House of Commons has to face seriously the fact today there is no country in the world which has so much of its economy owned and controlled outside ias own borders as Canada has. In the opinion of the New Democratic party the measure which the government is proposing is feeble, and we think it will be ineffective in really finding a solution. It is going to involve the investment of large amounts of Canadian capital to get control of 25 per cent of certain foreign concerns. which will really give Canadians no effective control and will use this capital to attain a purpose which in the long run will not achieve very much.

We feel the government will have to take much stronger measures if we are to make any progress toward acquiring a greater measure of control over the Canadian economy. If the government gets around to bringing down the Canadian development fund legislation and that is established, we hope it will use it or another fund for the purpose of acquiring some public investment in some of these foreign controlled concerns. This has now become common practice. In the Scandinavian countries, West Germany, France and Italy this has become one of the means by which government has been able to exercise an influence on large corporations, and this would be particularly beneficial in dealing with corporations that are foreign owned or foreign controlled. But as a step, a very feeble step which may prove ineffective, and as a gesture toward giving Canadians some measure of control over foreign controlled corporations, we will certainly support this measure.

The other measure has to do with giving tax incentives and concessions to corporations which are willing to go into underdeveloped areas. I cannot agree with the speaker who says a sociological solution to the problem of underdevelopment and unemployment does not make sense. In almost every country of the world which is experiencing economic growth and a high rate of employment this is exactly the kind of measure which they have introduced.

I had the privilege of visiting Sweden with some university people during the recess, among them two economists, and in Sweden one of the reasons they have been able to maintain a high rate of economic growth and keep unemployment to a minimum is that they have sought to direct investment into those areas which had surplus labour and surplus social capital investment which was not being used. This has worked out very well.



They argue, and I think they are right, that this cannot be done entirely by tax incentives. One of the things their labour market board is able to do is control the building of new industries. They have set up a national labour market board on which the government, industry and organized labour are represented, and they have labour market boards in 25 separate districts. The companies co-operate by supplying information to the labour market board every six months on any intended lay-offs, any increase in their labour staff, and what their general labour situation is likely to be, projected three years in advance.

Having that type of information the labour market board is able to direct industry. It does this by requiring an industry which wants to open a new plant to get a starting licence. Even to build a house or office building they require a starting licence, and when the labour market board decides that in a certain area labour is being utilized to the full and there is a shortage of housing and municipal facilities, it refuses to grant a starting licence in that area but will grant it in some other area.

They have set up special funds from which they make loans to corporations to move into undeveloped areas. A very good example of a community we visited was Norrköping. This was an area which some ten years ago constituted the textile centre of Sweden, and when Japanese textiles began to flow into the Swedish market the textile industry of Sweden was threatened. There was the usual cry for protective tariffs, but after consulting with industry and labour the government decided it would impose no protective tariffs. Japan was a good customer of Sweden, and if Japan was prepared to buy Swedish goods the government decided it should allow Japan to ship its goods into Sweden so it could earn the necessary krona to buy Swedish goods.

This meant that several textile mills were closed. The labour market board moved into the area and converted one of the large mills into a technical training school which is still in operation. The board retrained thousands of workers. Those who did not want to be retrained were given financial assistance to move to other communities where jobs were available, but those who were retrained were employed in new industries which the government induced to come into the area, companies which now manufacture metal goods, radios and television sets, and the area has become one of the main metal work centres of Sweden. This was all due to tax incentives, low interest rate loans and the retraining program.

There is no doubt a great deal can be done by means of tax incentives and concessions to

persuade companies to go into underdeveloped areas where there is surplus labour. One of the most effective ways by which this has been done in Sweden is that the government allows a corporation to take up to 46 per cent of its profits and deposit them in the Bank of Sweden. They can be withdrawn at any time, but if the corporation withdraws them it pays income tax on them and also pays a surcharge. If it is prepared to leave this money on deposit in the Bank of Sweden, on which it gets a return, it may spend that money any time the department of finance and the labour market board decide that additional investment is needed. The government retains the right to determine when and where that money will be spent for plant expansion or for the erection of new plant facilities. In this way the government has been able to control investment and to direct investment into areas which otherwise would be completely bypassed.

One of the things we have to recognize is that there is another reason for directing investment into underdeveloped areas. When a corporation goes into a crowded area and puts up a factory, workers have to be moved there, houses have to be built, schools, hospitals and other municipal facilities have to be constructed, and in many cases this means five to ten times as much social capital has to be invested to equate with the private capital which has been invested, whereas it may be that only a few miles away is another centre with surplus housing, surplus labour, and adequate community facilities. Therefore the idea of trying to attract industry by various forms of incentives and concessions makes a great deal of sense.

However, I hope the minister and his colleagues will take another look at the method which the government is proposing to use for attracting industry into underdeveloped areas. The formula which is being used as a criterion for determining designated areas is a mathematical monstrosity. I will not go into all the criticisms of it, but it seems to me it completely fails to assess what is the kind of area that requires this assistance. If one looks at the list of designated areas it is rather significant that with the exception of Blairmore, Alberta, there is not a single designated area west of the great lakes.

Now, does this mean that we are not going to direct investment into the prairies and British Columbia? Certainly the potential is there. We are facing a technological revolution in agriculture. Thousands of young men and women are being forced off the farms as the farms become larger and farm machinery is more extensively used. These young people would normally gravitate to the towns and cities in western Canada to become part of industry.

However, under this method of designating areas these communities are completely overlooked. It seems to me that to use as a criterion unemployment from May to October over an eight year period is to overlook completely the age of the people in the community; how many young people are going out to seek jobs over the period of the next few years; the social capital invested in that area; the number of young people in the surrounding countryside who will in all probability move into an industrial area to live. It is a great mistake to leave these matters out of consideration.

I think this is probably one of the difficulties in having one department setting the criterion and another department evaluating and giving the tax concessions. I am sure that with a few months experience the Department of Finance will very quickly discover that this formula is not satisfactory at all. I am not quarreling about the places that are named as designated areas. I think most of them are areas that need immediate consideration. However, I hope the government will apply some more flexible formula for giving tax concessions to companies moving into areas that require industrial development or have employment problems.

I want to say that so far as we are concerned we are supporting this legislation. We support the legislation with reference to foreign control of our industries. We think it is weak, we think it may prove ineffective, but we welcome the fact that the government is at least moving in this direction. We think the experience will give the government the necessary courage to invoke much stronger measures.

With reference to the legislation to encourage corporations to go into underdeveloped areas, we welcome this legislation. We only hope the government will try to produce some more flexible formula so that it will have a wider and more general application.

[*Translation*]

**Mr. Caouette:** Mr. Chairman, I should like to make a few comments on Bill C-95, which contains a total of 30 pages and does not seem to be too well understood by most hon. members, no matter on which side of the house they sit. The bill is full of intricacies and ambiguities. In fact, I think that this is the most intricate bill hon. members have seen in a long time.

Anyhow, since the beginning of the discussion on this bill, we have heard suggestions and we understand that its purpose is to grant tax exemptions to certain new

industries which would set up in so-called underdeveloped or depressed areas.

Now, I represent a region which was designated as a depressed area about three weeks ago. The main industry in that region is the mining industry and even if the Minister of Finance (Mr. Gordon) or the government would urge new industries to set up in our region, I think that first, they should think for instance, about changing our climate and the distance between us and the large centres such as Montreal, Quebec, Three Rivers and Valleyfield.

In fact, the management of Noranda mine, one of the largest companies in our region, have set up a zinc refinery in Valleyfield, precisely because the towns of Rouyn and Noranda were too far from the large communities. So, this legislation will surely not prompt new industries to set up in our region.

However, there is another way to hasten the solution of the problem facing us in northwestern Quebec, and it is to increase the price of gold. That would probably create some 30 new mining industries in the district, and it would enrich the federal treasury. In addition, it would help fight unemployment, which is fairly high in our area, and it would contribute to the economic development of the district. Then, the government could boast of having introduced legislation to help a depressed area.

Mr. Chairman, one of the clauses of this bill provides that the government will make tax concessions where there is relocation of secondary industries.

Now, just a few weeks ago, a bill was introduced in the house to amend the personal income tax. How does the government conciliate moves like that?

On the one hand, it gives tax incentives to industry and, on the other hand, it increases the personal income tax to reduce the purchasing power of individuals.

It seems that nothing worth while is being done, that no positive solution is being offered, no solutions likely to solve this problem which is becoming more and more acute and serious.

The problem will not be solved only by introducing measures that are more or less senseless. At this very time, some small Canadian industries are on the brink of bankruptcy. We are not helping small industries; there is no provision in this bill to give them assistance. Why not help those that are already in operation? It seems to me that this would be a more logical solution than the one now being suggested.

[Mr. Caouette.]

Mr. Chairman, while on the subject of personal income tax, I shall refer to a notice of assessment forwarded to me by one of my constituents.

I refer to notice of assessment No. 0839136, in the name of Mr. Jean Guy Trepanier, 187 Saguenay St., Noranda, P.Q. As indicated at the bottom of the notice of assessment, here is the decision of an income tax official:

**The deduction claimed for charitable donations has been reduced from $511 to $200.**

This income tax official admits having in hand the receipts for charitable donations and arbitrarily decides to reduce the amount from $511 to $200. This is in connection with personal income tax.

Mr. Chairman, in the newspaper—

**Mr. Habel:** Could the hon. member for Villeneuve tell us what was the net tax amount owing?

**Mr. Caouette:** In reply to my excellent friend from Cochrane, the federal tax amounted to $349.

**Mr. Habel:** No, I mean what was the net amount of taxable income?

**Mr. Caouette:** The net taxable income is not mentioned on the assessment notice.

**Mr. Habel:** It could throw light on the situation.

**Mr. Caouette:** No, it could not throw light on the situation. I will answer the hon. member for Cochrane by saying that it could not change the deduction, because the deduction claimed for charitable donations accompanied by receipts has been reduced from $511 to $200. One thing is certain, however, it was not larger than 10 per cent; it was scarcely 7 per cent. That, I know.

We suggest to the Minister of Finance and to the Minister of National Revenue to free the Canadian citizens from the petty annoyances which stem from arbitrary decisions of federal officials, and to generalize that measure in order to increase the buying power of the Canadian consumer. If this buying power were increased, the Canadian industry would be promoted and would make great strides, while today it finds itself paralysed, because its stockrooms are overfilled and it cannot sell its production as it would normally.

That is indeed the crux of the matter. We are not confronted with a need for greater production, but with a problem of distribution of existing production.

Inventories, annual production, excess production, we have all that. No Canadian alive today has to worry about finding clothes, houses or what have you. But all, without exception, wonder how they can buy these

things. Our industry, as well as our taxpayers, are faced with possible bankruptcy.

Canadians today are in debt and mortgaged for years to come. Business too is saddled with mortgages and loans for years to come. The government tells us:

> Companies which will settle in depressed areas will benefit from tax exemption.

Mr. Chairman, in *La Presse* of October 26, 1963—which is very recent—I find an item regarding Reverend Father Emile Fournier, bursar of the religious order of St. Vincent de Paul, who was lecturing at St. Foy, P.Q. I quote:

> Reverend Father Emile Fournier, bursar of the Brazil missions for the St. Vincent de Paul order, stated, last evening, that capitalism, not communism, and ideological conflicts, is the worst danger for Latin America.

Yet, nobody thought of calling Father Fournier a communist. And I quote further:

> Speaking before the members of the Richelieu club, Reverend Father Fournier said that more particularly in Brazil, where he himself lived several years, the whole population is literally starving, beside a handful of wealthy families. The people are exploited by capitalism.
>
> "Nine people out of ten are living in extreme poverty, and are kept in that condition by a group of extremely wealthy individuals who only make up 3 per cent of the whole population."
>
> The reverend father stressed that the annual average income of people in Brazil was $250.
>
> The lecturer also said that Brazilians are Christian in principle. But that education in the faith is poor because of a lack of priests.
>
> The time has come for French Canadians to assume their responsibilities and to help a country, the history, language and culture of which are very close to theirs, concluded the speaker.

Mr. Chairman, we have in Canada today an increasing number of unemployed people who live in the most abject poverty. Of course, here, in parliament, we perhaps do not see that poverty, but when we go home, in our constituencies, we discover that undeserved poverty existing amid abundance.

It is said that there is no want of means of production. It is true. But what is even truer is the fact that the means of consumption are inadequate, that there is a shortage of buying power in the hands of consumers.

It is to this problem that the Social Credit offers a solution. There are those, especially in parliament, who smile when they hear about Social Credit. But the Canadian population smiles less and less, for it realizes that Social Credit brings a solution that can definitely settle the problem. It is the only means by which all those problems could be tackled, here, in this house, but the solution is being refused.

Let us launch an effort, let us reform industry, let us exempt some from taxes and increase taxation on others, let us try and reform the institutions, let us try everything. But let us not interfere with the monetary question, the matter of the necessary money and credit, let us not try to balance the Canadian economy according to the tremendous physical capacity at our disposal.

When we say it is time to make financially possible what is physically feasible in Canada, we are perfectly right. The Liberals and the Conservatives, one after the other, did effect this "financially possible" in face of the "physically feasible" during the war years. No one was told in Canada that we were short of the necessary credit to make guns and shells. The minister of finance in the years 1941-1942, the hon. Mr. Ilsley, used the Bank of Canada at the time to create new credit in the country in order to make armaments and put Canada on a war footing.

Well, today, we of the Social Credit think that the time has come for the Minister of Finance to order the Bank of Canada to create the credit necessary to put Canada on a peace footing, on a basis of security, with personal freedom guaranteed to all Canadians living in the country and building it up.

**Mr. Valade:** Would the hon. member for Villeneuve allow me a question, Mr. Chairman?

**Mr. Caouette:** Yes, certainly.

**Mr. Valade:** When the hon. member for Villeneuve mentioned the Social Credit philosophy, was he speaking of the philosophy advocated by Gilberte Cote-Mercier and her group, or was he putting forward a new philosophy.

**Mr. Caouette:** Mr. Chairman, in answer to my hon. friend from St. Mary, I shall say that in the world, there is only one Bible, but there may be 800 denominations. But all of them are related to the same Bible. The Social Credit philosophy we advocate is the authentic philosophy of Major Douglas. No matter whether Mrs. Cote-Mercier or Mr. Even wear white berets, if they advocate the same philosophy as Major Douglas, we quite agree on that philosophy.

[*Text*]

**Mr. McIntosh:** Before clause 1 carries I should just like to ask the minister a question concerning the write-off of a $5,000 automobile. This does not appear to be relevant under any other clause, so I will ask it at this time; I do not intend to make a speech. I understand from what has been said previously that a company can write off an automobile costing less than $5,000, say $4,999. What happens if the automobile costs $5,001? Can a company then write off $4,999 and pay tax on the other $2, or do they pay the full tax on the $5,001?

Another question concerns the automobile which may cost $4,999 in eastern Canada but which will certainly cost more than $5,000 in western Canada, owing to freight rates and so on. This regulation seems to me discrimination between eastern and western Canada, or western companies as compared with eastern companies. I should also like to impress on the minister that there are other factors which should be considered in this $5,000 write-off.

I do not disagree with the principle behind the regulation, if it is a regulation. I know what the minister is trying to do. He is trying to stop companies from buying Cadillacs, and so on, and I agree with that. But there are problems which arise from this unless we receive some explanation. For example, in the province I come from there is a provincial education or sales tax of 5 per cent. In the province west of where I come from there is no sales or education tax. So the matter does become a problem.

**Mr. Southam:** Or to the east.

**Mr. McIntosh:** Yes, to the east, or it could be other places. So there are a few problems in regard to this write-off on automobiles, and I should like the Minister of National Revenue or the Minister of Finance to explain to the committee a matter which concerns some of these companies.

**Mr. Garland:** Perhaps if I told the hon. gentleman that the regulations have been published and have been available for some time he would be satisfied. The specific answer to his first question is, of course, no. The other matters he has referred to are taken care of in the regulations, which are available on request.

**Mr. McIntosh:** I wonder if the minister will give us some details. I went home about a week ago, and this matter was of concern to many automobile dealers out there. Apparently they had written to the Department of Finance and were promised an answer within a very few days, but they had not received one. I do not know when the regulations came out, but I should like a statement on record in this house so I can go back to the dealers and say that this is what the minister said.

**Mr. Gordon:** Well, Mr. Chairman, if I can amplify what the Minister of National Revenue said, the $5,000 ceiling was decided on so that it would include as eligible for write-offs practically any car manufactured in Canada; in fact almost all of them. The whole amount can be written off. If a car cost more than $5,000 it would probably be an imported car and nothing could be written off. The purpose was to encourage people to buy cars made here and to discontinue a practice under which the treasury has been financing approximately 50 per cent of all these high priced cars.

In answer to the second question, the regulations have been published and they make it quite clear that there is no discrimination in favour of people who live closest to Oakville, Oshawa, or other points in Canada where motor cars are produced. In calculating the cost for this purpose, freight charges and provincial sales taxes are excluded from the computation.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4.

**Mr. Lambert:** Mr. Chairman, there is one point on this clause which has always bothered me and I should like to ask the minister for a short explanation. I have always wondered what would happen in these cases if the option has been exercised. I realize that what the minister is trying to get at is a colourable transaction whereby there is in actual fact a lease, and that has been the intention of the parties. But they have covered it in the guise of a lease option, though they have never exercised the option. In other words, no overt step has been taken to exercise the ownership and acquisition of the assets. I realize this was a loophole. But what happened when there was such a transaction on the face of it, and when subsequently the option was exercised indicating that it was a bona fide transaction? I do not like to see everybody classified as a wolf because they happen to be covered with sheep's clothing: They may truly be sheep.

**Mr. Gordon:** There may be taxpayers who acquired property before 1963 taxation year under the lease option arrangement and who had property established for tax purposes under the rules contained in section 18. Where the capital cost has been established in this manner it will not be disturbed by the repeal of section 18. The taxpayer concerned may continue to deduct capital cost allowances as if the section had not been repealed.

**Mr. Lambert:** Does not the minister think that with this provision he has now closed the door on an important area of business operation. The hon. gentleman has had some connection with business and he must realize the value of lease options. I am thinking not so much of their value from the point of view of taxation relief, but of their financial value. Does he not think we have here, for the sake

of administrative convenience, closed off an important method of business development?

**Mr. Gordon:** I do not think the hon. gentleman need worry about that. It is still perfectly open to businessmen to rent or lease a property and to write off the amount of the rental paid.

**Mr. Lambert:** That may be so, but I am speaking of an option for a businessman to buy a property—that is, a lease option. I do not care how you want to describe it, but a rental agreement with a right to purchase is a lease option.

**Mr. Gordon:** The only thing which stopped that practice before was section 18, which we are now recommending should be repealed. There is nothing to stop people doing what the hon. member has suggested.

Clause agreed to.

Clause 5 agreed to.

On clause 6.

**Mr. Lambert:** On clause 6, I think there were some questions asked by the hon. member for St. Lawrence-St. George who had something very pertinent to say in this regard during the resolution stage. I would refer the minister to pages 2494 and 2495 of *Hansard* where he will find some questions which, so far, he has left unanswered. With all due respect to the minister, I think his hon. friend did raise some very relevant matters to which the committee should have an answer before it can agree to go further.

I can see what the minister is trying to do. He is dealing with a straight marrying of a loss position company with one which is in a favourable position, or one with some excess profits, in an attempt to average out. I hold no brief for tax evasion. On the other hand, I hold no brief for the man who unwittingly makes himself subject to income tax. A man who is astute enough—and I do not use this adjective in a derogatory sense—to develop his business without exposing himself to taxation, is surely not to be blamed for so acting, especially when one considers that the income tax legislation contains a multitude of provisions which are contrary to the principles which govern ordinary conduct. Why should such a perfectly laudable objective be caught up in a wide sweep such as the minister is trying to make at the present time? I am sure that to business consultants, chartered accountants and lawyers primarily concerned with business the matters raised by the hon. member for St. Lawrence-St. George are very important considerations. We must be careful not to sweep out economic development purely on the grounds of administrative convenience.

**Mr. Gordon:** With the greatest respect, I do not think my hon. friend from St. Lawrence-St. George asked any questions about this clause. Perhaps we could ask him. There he is.

**Mr. Turner:** As one who has been drawn unwittingly into this debate, let me say that at the resolution stage the two matters in which I was interested were, first of all, the question of surplus strips. I may have had something to say about the retroactive nature of the provisions affecting surplus strips. Second, I may also have touched on the problem of ministerial discretion. If the hon. member is speaking of my comments on those subjects, I suppose he is referring to my speech with accuracy.

**Mr. Lambert:** I think the hon. member's remarks were related to the loss position.

**Mr. Gordon:** Very well, let me say a word about the loss position. The purpose of this clause is to prevent a company with a loss-carry-forward entitlement from changing hands, thus permitting a new owner to introduce into that business an entirely different business after the date of the budget, and having this entitlement applied against the profits of the new business enterprise. That is all. It is not intended to have any retroactive effects. It is not intended to apply if there is no change in ownership, and I believe there is no ground for the fear which has been expressed by the hon. member with regard to this clause.

**Mr. Lambert:** Except to the extent that if there is an entitlement of carry forward a loss position and there is subsequently a situation created whereby the loss position is wiped out, surely there is an element of retroactivity.

**Mr. Gordon:** The hon. member is correct. This will wipe out the loss credit position if there has been a change in ownership. The reason, of course, is obvious. People with profitable businesses who were paying taxes on their profits were making a practice of acquiring companies, often shells which had nothing in them but which were in possession of a loss-carry-forward entitlement, for the purpose of applying this entitlement against their profits and thus avoiding the payment of tax. That is what this clause is intended to prevent. I am prepared to admit that in theory, certainly, if you look upon the corporation which has the entitlement as being a separate entity, it does lose its rights, where its ownership has been transferred to somebody else. However, that is the very thing we are trying to stop.

**Mr. Lambert:** One case does occur to me where a good deal of hardship could result. I am thinking of two companies which are engaged in a related activity or business. One is in a loss position and the other is carrying on a profitable operation. The company which has the profitable operation is a substantial creditor of the business which is not so successful. In order to minimize its losses, the successful corporation buys out the business which is not successful, and is in the loss position. It is in a case such as this that the successful business would be prejudiced, because there is no distinction in the amendment on the basis of related businesses.

I will agree with the minister that there is some justification if a contracting company suddenly decides it is going to buy out a realty company or some such other extraneous operation solely to even out profits, but surely a legitimate case can be made for those within the same type of business. In the first place, it may be a substantial creditor of a debtor company. We have seen many businesses grow as a result of these mergers. If the minister wants names I can name him some very successful growth businesses that were built up because the one participant that had active, intelligent management and appropriate financing picked up a number of ancillary companies which were its debtors. In a very few years these were built up into very successful businesses. If the proposed provision had been in force such would not have been possible. May I say that these companies have contributed to economic development in certain sectors that are very well known to the minister's officials, though perhaps not to the minister.

**Mr. Gordon:** Mr. Chairman, I do not know the particular example about which the hon. member is talking, but I should like to try to put the matter this way, in more general terms. If one individual or one group controls two companies, one of which is making losses and the other is making profits, they are in a position that they can concentrate their activities on the company they now own which is making losses, and transfer the profitable business to it. They will not come under this section because control of the loss business will not have changed hands, so they can do this.

But if you are talking about two companies that are not related and one is profitable and the other is not profitable, what we are trying to stop, as I was saying, is the company which is making profits buying the losses of the other company and thus avoiding the payment of taxes on the profitable business, which they have been doing in the past. That is what we are trying to stop and, of course, we think it should be stopped.

**Mr. Lambert:** I think the minister is using a yard wide broom to collect a foot of dust.

Clause agreed to.

On clause 7.

**Mr. Lambert:** Mr. Chairman, would the minister give me an explanation as to the point I raised on second reading, why this has not been incorporated in the act as a permanent change? We have been carrying it forward from year to year, much to my mystification.

**Mr. Gordon:** I think the hon. member has a good point and if he will bear with me I will try to fix it up in the next budget.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*"Taxable corporation" defined.*

**Mr. Lambert:** This point is somewhat more limited than the general objection I have raised with respect to the so-called Canadianization—I cannot call it national distinction—of a taxpayer. Why is it that here we are now getting the little toe in the door, in that there is a suggestion that if the shares of a corporation are listed on a Canadian exchange the corporation is now deemed to be a taxable corporation within section 38? Not too much has been said by the minister in this regard. I would appreciate it if he could tell us why there is this provision that the mere listing of shares on a Canadian exchange shall be deemed to be a partial fulfilment of the requirement of residency, one to which, incidentally, I do not necessarily adhere.

**Mr. Gordon:** Of course you have to do more than just list the shares. A very substantial part of the business has to be in Canada. This is a relieving amendment. As the sidenote indicates, a taxable corporation is defined and the definition is broadened so that it will include the kind of company described in paragraph (b), and to provide that the dividends from this kind of company shall be deemed to be from a source in Canada. There are companies which, for one reason or another, do not qualify but which do all their business in Canada and in which it is desirable to encourage Canadians to invest. They do not invest in these companies to a large extent because they cannot get the 20 per cent dividend tax credit unless the company is a Canadian corporation. The companies described in paragraph (b) are companies which, although not resident in Canada in the sense that their head offices

are not here—the Hudson's Bay Company is a good example—carry on substantially all their business in this country and have their shares listed on the Canadian stock exchange. It is desirable that Canadians should increase their share ownership in this kind of company, and the purpose of the amendment is to remove the tax deterrent to the acquisition of such shares by Canadians. That is the purpose of it.

**Mr. Lambert:** In this connection I am wondering why the arbitrary figure of 85 per cent has been selected. If I recall correctly from my business experience, the provision in the United States tax law is 75 per cent.

If I recall exactly, this permitted them to incorporate companies in the Dutch West Indies which were rather large operations. I may say this is one of the tax havens found throughout the world, and if the United States can take advantage of it I do not know why Canada cannot similarly take advantage of it, where operations could be conducted on scores of millions of dollars a year, with headquarters in the Dutch West Indies, provided that 75 per cent of the revenue comes from abroad. In such a case a company could operate in the United States and could operate in Canada, with the bulk of its operations in Canada, yet it got the benefit of both worlds, Canada and the United States, with about 2 per cent income tax payable in the Dutch West Indies. Why was this 85 per cent selected?

**Mr. Gordon:** I am sure the hon. member would not like us to become the Dutch West Indies of the northern hemisphere. There is no significance to the 85 per cent. It would be quite satisfactory to me to make it 90 per cent. The only reason I did not make it 100 per cent is because companies of that kind presumably have had offices and may have a little business going on somewhere else, but the purpose was to indicate that substantially the whole of their business should be in Canada, if they were to qualify in this way. I would not like to make it less than 85 per cent, but I would have no objection to making it more than that.

**Mr. Lambert:** This is an amending provision and the minister uses the word "substantially", but he comes down to 85 per cent. As the one making the change, the burden is on him to establish why there should be this level of 85 per cent as against, say, 75 per cent. What are the compelling reasons to make it 85 per cent?

**Mr. Gordon:** Just that 85 per cent is more substantial than 75 per cent. I cannot do better than that. I would prefer it to be higher.

Clause agreed to.

On clause 10.

**Mr. Lambert:** Would the minister give us an explanation why he is repealing this section? I agree it was experimental in its inception, but it was the burden of a good part of my speech on the resolution stage. This was an incentive based on sales, and I would put it to hon. members that in so far as business is concerned the success or lack of success of any business is ultimately on sales.

**Mr. Gordon:** Profits.

**Mr. Lambert:** Well, sales and profits. You are not going to have profits if you do not have sales, and the selling philosophy after all is the ultimate factor. The minister is well enough versed in politics to know that unless he can sell the philosophies of his own political party he might as well stay at home. There are other points I might indicate where, unless you are able to sell, you might as well not start your operation.

There is no point in developing factories and commercial establishments to produce goods if you are not going to sell them, and of course we anticipate selling them to cover something more than their cost. Again I ask, why was this abandoned?

**Mr. Gordon:** This is being abandoned because this particular concession has been strongly criticized on various grounds. I will mention four of them.

**Mr. Lambert:** The burden is on the minister.

**Mr. Gordon:** Yes, the burden is on the minister, and I do not mind this particular burden because I remember a year ago criticizing this particular form of incentive very strongly. These are now criticisms that have been received, quite apart from my own efforts in that regard.

First of all, since dollar sales were the measure upon which the concession was calculated, the emphasis was upon sales volume rather than upon efficiency. Thus taxpayers had an incentive to increase prices or to achieve increased sales in uneconomic ways in order to earn some forgiveness of tax. There was a certain amount said during the last few days about the price of sugar, and if this section remains, then because the sugar companies will be increasing the dollar value of their sales—

**Mr. Lambert:** Abroad?

**Mr. Gordon:** No, in Canada—it has nothing to do with exports—they would get a tax

incentive, which seems to me to be quite out of order. This surely is not the intention, to give these people a tax incentive because they raise prices.

Second, this provided an incentive for taxpayers to arrange to have high sales in one period, if they could, and low sales in another, or otherwise manipulate their sales.

Third, it was so complicated in the way it had to be worked out that many taxpayers said it was not worth their trouble to try and qualify.

Fourth, the value of the incentive was very low. For example, the illustration used in the 1962 income tax bill showed a company with sales of $1 million, which increased its sales by 10 per cent, and it would receive a tax concession of $1,230. But the main criticism is that this concession, being based on the dollar value of sales, would give a bonus to companies who increased prices for one reason or another, and which, if you like, made windfall profits because of the devaluation of the dollar; and I cannot believe it was intended to give people a bonus for that sort of thing. Actually the incentive was proposed in the April, 1962 budget, at a time when devaluation was not contemplated.

**Mr. Lambert:** It may be that the minister has set up the bogies, but regardless of that I would put it to him that the ultimate test of competitiveness is in your sales price. It is true that in certain limited competition industries, such as the sugar industry, there may be possibilities of windfall profits; but even using the dollar value as the criterion, if they are going into the export market with the devalued dollar, surely to goodness because the devaluation provided an additional incentive for income and increased sales of a dollar value for exports, why should that be a criterion to throw out section 40A. This was cited by the minister as one of the reasons, but on the basis of short experience I would have thought he would have been prepared to give this incentive at least one or two more years trial.

This is shutting the door on one of various means of expanding the Canadian economy. This is in complete antithesis to those things which the minister has been preaching to us. The parliamentary secretary whispers to me that it was just no good.

**Mr. Benson:** That is right.

**Mr. Lambert:** On what basis? On what period is he able to judge? He has not had the experience with respect to operations based on tax reports. I would have thought it would have been better, and I would have been prepared to accept the minister's evaluation of all this, if he had said that on three years' experience this incentive was not deemed to be a successful method. There is no one method that is going to be the cure-all. I am sure the minister will agree with that.

Here was a method which no one claimed to be an absolute cure-all. Perhaps it was limited, but why kill it? I suggest this action is premature, and that there was insufficient evidence that this was not a proper method by which we could encourage economic growth. In other words the minister is subscribing to the philosophy that unless you have a 100 per cent painkiller, then you had better get it off the market. Even if only 25 per cent of business could take advantage of the incentive, why kill it?

**Mr. Olson:** The minister has answered the question I intended to raise on this clause; but the hon. member for Edmonton West is now suggesting it is a little too early to kill it. Therefore I would like to quote a short piece from some communications I have received respecting this particular clause, so that it may add some evidence to the reason for the repealing of the section:

> Section 40A was enacted in 1962. It was intended to give a tax incentive where a manufacturing and processing corporation had increased its sales above a level determined in accordance with another complicated formula.
>
> Section 40A has been—

**Mr. Lambert:** On a point of order, Mr. Chairman, the hon. member is quoting from a document. Would he please identify it and, if need be, would he table it so that we may know he is not picking something out of the air?

**Mr. Olson:** I take full responsibility for this quotation from a communication that was sent to me.

**Mr. Lambert:** By whom?

**Mr. Olson:** Whether I choose to table or give the rest of it to the house should be my privilege.

**Mr. Lambert:** Oh, no.

**Mr. Olson:** May I go on?

**Mr. Pickersgill:** If the hon. member takes full responsibility.

**Mr. Olson:** It says:

> Section 40A has been a dismal failure. All that section 40A ever did was encourage corporations to raise prices.
>
> A corporation could qualify for the tax benefit merely by raising the level of its sales by an increase in prices.

It goes on to say:

> Here was a built-in inflationary device.

So I suggest there is quite a lot of evidence available to indicate that this section could be repealed.

Clause agreed to.

Clauses 11 to 14 inclusive agreed to.

On clause 15—*Special tax rate.*

**Mr. Lambert:** This is related to the withholding tax, and with all due respect to the minister I have some difficulty in reconciling his replies with some of the questions I put to him the other day. He indicated yesterday that the question of abrogation of article XI of the tax convention between Canada and the United States depends upon the imposition of a tax. The question which I raised the other day was to the effect, had he had the assurance of the officers of the treasury, and had he had the assurance of the authorities in the United States government that they would not deem this to be a *de facto* abrogation as of now, and not wait until the imposition of the tax after January 1, 1965, as envisaged by the minister?

This is the point that is of primary concern. I think the minister will recognize that there are a number of business interests in this country, and it has been suggested to me from my reading that although it may appear strange, the investment per capita by Canadians in business in the United States may be at about the same level as the per capita investment by United States interests in Canadian industry. If this were to be a de facto abrogation within article XI of the taxation convention, then immediately the United States government could boost its rate of withholding tax to 30 per cent, that is a 30 per cent withholding tax on dividends payable to Canadian parent companies by United States subsidiaries, wherein the majority of the income earned by the Canadian parent is from the United States subsidiary.

Of course, we all realize just how quick the reaction to this provision would be the establishment of so-called Delaware corporations. This would mean that what has been a two-way street would become entirely a one-way street, and any investments Canadians might have in the United States would become a mere fragment of what they are now. It must be recognized that there are a number of Canadian corporations, and we hope there will be more, that are extending their operations into what is potentially a good market for Canadian expansion.

I should like to have this assurance from the minister. It is not sufficient to say that when the tax is imposed we will know the reaction. We would like to know if we have an assurance from the United States authorities that the passage into law of this bill will not be deemed to be the imposition of a tax. With all due respect to the minister, the fact that the tax would become operative as of January 1, 1965, may be interpreted, under the terms of this legislation, as the imposition of a tax on dividends as of January 1, 1965.

**Mr. Gordon:** I think perhaps the hon. member is talking on clause 23 of the bill and not clause 15, but perhaps I might answer the point he has raised now while it is clear in our minds. I do not want to be asked to mention individuals in the reply I am about to make.

**Mr. Lambert:** I have no thought of individuals.

**Mr. Gordon:** We have had some preliminary conversations and discussions with the appropriate officials in Washington on this point. One of the more senior officials suggested to me, within recent weeks, that before we got down to a discussion of this problem it would be best to wait until the bill was passed. He said, after all, this particular thing does not some into effect until 1965, so we have lots of time to discuss it.

**Mr. Olson:** This clause appears to me to be another example of what might be called piecemeal legislation. If I understand it, all it does is raise from 15 per cent to 20 per cent the tax on most non-resident owned investment corporations. I should like to ask the minister if he has given any consideration to introducing some legislation to provide a different plan for attracting foreign capital on a permanent basis? In other words, will he induce foreign capital to come to Canada and become Canadian capital?

**Mr. Gordon:** All I can say is that this amendment provides that there be no withholding tax at all on certain investments in Canadian bonds, which is the way in which most of the capital comes to Canada. These non-resident owned investment corporations are a special kind of company which is defined in section 70 of the act. They are used by non-residents to hold portfolios of investments in Canada. The rates of tax on these companies must be increased in conformity with the non-residents withholding tax; otherwise the non-resident companies could use this special type of company to hold their shares in subsidiaries in Canada and thus arrange to have their dividends from these subsidiaries taxed at the 15 per cent rate. It is needed, if we are going to have the change in the withholding tax that is recommended in the later section. This particular

provision is needed to make the thing consistent.

**Mr. Lambert:** In commenting on the minister's reply of a few minutes ago I may say, and this applies to this and other sections of the act, that I am very concerned that the action of this legislative body in passing a law shall not be deemed to be an irrevocable act. The minister himself realizes that we do not pass amendments to acts, or we do not pass bills, so that later we can merely repeal or amend them.

**Mr. Gordon:** I hope not.

**Mr. Lambert:** We can say—

**Mr. Gordon:** Except in 40A; I must say I thought that was a good thing to yank back.

**Mr. Lambert:** It seems we are on extremely thin ice in accepting an unofficial assurance the minister might have received, that there is plenty of time to think about this within the terms of the tax convention, the possible abrogation of the treaty and the automatic imposition of a 30 per cent level of withholding tax by the United States authorities. Once the Canadian parliament enact a law, this is not merely an expression of opinion. It is an overt act on the part of the Canadian government. This is where I think the minister's argument is just a little thin.

I know the minister has given warning about other matters, for instance in the field of business expenses, as did his predecessor. There are other fields in which the Minister of Finance has given a warning without introducing any legislation. Really, this and all the other related provisions to which I am referring are warnings. Suppose the minister's negotiations are not as fruitful as he expects? What is he going to do? Is he going to come back next year and say: I was not quite as successful as I hoped, would you please amend the act? This is not good enough to maintain the confidence of the business community.

This is the reason I asked the minister if he can give us that assurance, that the passage of this legislation will not be deemed by United States authorities to be the imposition of a new level of taxation as of the coming into effect of this amendment to the Income Tax Act? It is not too much to ask. I think we are entitled, as is the business community of this country, to know just what is going to happen. After all, there is certainly enough uncertainty.

**Mr. Gordon:** Well, there is a lot of uncertainty, particularly about the changes that were made in the December 1960 budget. After hon. members requests, the withholding taxes were changed in that budget and this left a good many of the tax agreements up in the air.

[Mr. Gordon.]

**Mr. Lambert:** But they were renegotiated.

**Mr. Gordon:** They were not renegotiated with the greatest respect. They still have to be renegotiated. Notice has to be given prior to June 30 in any year, and then they have to be renegotiated. Despite the fact that these changes took place—

**Mr. Lambert:** There was no complaint.

**Mr. Gordon:** No, there was no complaint because the increased tax has not been collected. It cannot be collected under the agreements about which I am talking, and there are seven or eight of them. In this case we intend to collect these taxes now. The hon. member suggests it would be better merely to give a warning that we intend to do something in the future. I think the way to give a real warning is to put it in the act; then people are likely to take some steps, and to take this more seriously than they would if they were just exhorted to do it.

I want to be quite clear. I am not in a position to give a categorical assurance as to what the United States administration will do when we get down to negotiating this particular matter, because I have not gone into it in that detail. They have suggested that these negotiations be deferred until the bill is passed, so I am not in a position to give that assurance. However, I would remind the hon. gentleman that, as we all know, there is a difference between the total amount of United States investments in this country and the amount of Canadian investment in the United States. United States investment very greatly exceeds Canadian, and these people will be reasonable and keep that in mind when we renegotiate the matter.

**Mr. Lambert:** The minister agrees, of course, that the sums per capita are not that far apart compared with the global amount, taking into account the difference between a population of 200 million and one of 19 million.

**Mr. Gordon:** With respect I suggest that that is a completely irrelevant point. I thought the hon. gentleman was asking me whether I could give him a specific assurance as to what the United States administration was going to do about this tax treaty, and my answer is that I cannot do so.

Clause agreed to.

On clause 16—*Exemption of income from manufacturing or processing business in designated areas.*

**Mr. Alkenbrack:** Mr. Chairman, I have listened with interest to the various stages of the bill, particularly to the clause by clause discussion. I would say that the Minister of Finance has been rather wildly shuffling the

financial cards of the country and has taken a very dangerous method to try and deal Canada a better hand at this time. I am strongly of the opinion that the chances are that the hand will not be a better hand.

Clause 16, which deals with the exemption of income from manufacturing or processing business in designated areas, is not, as it exists, good legislation. The dangers of the clause have been ably pointed out to us by the hon. member for Wellington South. I submit, Mr. Chairman, that it is discriminatory. The industries which can take advantage of the designated areas will get a free ride on the financial income tax bandwagon whereas the industries in a non-designated area or in close proximity to a designated area will have to pay more income tax than ever. There is no doubt about that, because the Minister of Finance will have to demand from the country as a whole vast amounts of money for the next fiscal year. Therefore I submit that industry in non-designated areas will have to pay more income tax in order to give these new industries moving into designated areas the advantage that the Minister of Finance has promised them in clause 16.

Second, the clause is contradictory in that it contravenes municipal autonomy. Third, the measuring stick in the criterion is unfair; it is certainly autocratic and there is no doubt it is impracticable. We should be using, I submit, a 12 month period to measure the extent of employment in a given municipality which may now become a designated area merely by virtue of a six month period of unemployment in the summer or the winter. The barometer is not ample enough.

Fourth, it is certainly an affront to provincial and municipal autonomies. There are four levels of government in this country, and two of the most important levels are the minor municipality and the major municipality; that is, the township, village or town, and the county. They should certainly have the right to apply and should be the first to know whether these measures should be taken within their boundaries. In fact, I have had in my riding some suggestions from some quarters to the effect that our area be considered to have a lower degree of industrial and commercial activity compared with others, and I did suggest to the people who brought the subject up that we had not asked for any such measures. We have learned in the past, especially in southern Ontario, that we are self-supporting and that our efforts in that regard should be taken into consideration.

Fifth, this clause is not satisfactory to the great majority of industry. That goes without saying because we know the righteous howls of protest which are coming from established industry in the environs of municipalities which have been designated.

For that reason, Mr. Chairman, I move, seconded by the hon. member for Okanagan Boundary:

> That section 71A (1) (b) be amended by adding: "except that the provisions of this section shall apply only where the municipality in which such taxpayer carries on business has requested the benefit hereof, and that municipalities receiving such benefits must not be closer to each other than 100 miles".

**Mr. Benson:** Mr. Chairman, this amendment changes the basic concept of designated areas as defined in this particular clause of the bill. It does not refer to the bill as such.

**Mr. Aiken:** Mr. Chairman, on a point of order, is the parliamentary secretary speaking to the amendment or to the validity of the amendment?

**Mr. Benson:** I am speaking to the amendment. The concept of designated areas, Mr. Chairman, as defined in this particular clause of the bill was worked out very carefully in consultation between the Department of Industry and the Department of Labour. It was put into the bill on the basis that areas which were lesser developed or which needed economic incentives would be granted these economic incentives on a logical and proper basis, bearing in mind the employment statistics over a period of years, and without any possibility of the sort of patronage which might develop if one were going to have varying criteria and municipalities coming to the federal government with their hat in their hand, as they did under the surplus manpower areas legislation of the previous government.

I have heard a great deal of talk over the past several days about this particular part of the bill being discriminatory. It certainly is discriminatory and is intended to be. The intention of this part of the legislation is to encourage industry to move into areas in Canada which need economic development.

We have heard members opposite saying, for the past few days, that it is unfair for the federal government to choose particular areas for designation when they were within a short distance of other areas with a better record of growth. They say it is unfair because it would attract industries from those other areas. The proposal is criticized because, it is said, it in some way over-rides municipal autonomy. I believe the bill as presented to the house is written in such a way that people across the whole of Canada are fairly treated. The areas designated are chosen on a legitimate basis as a result of the consistent application of facts set out by the Department of Labour. No area can claim it has been

unfairly treated or that different criteria have been used in one place as distinct from another.

I believe that if the federal government had waited to consult with all the municipal governments on this matter, and with all the municipal councils, as I have heard it suggested should be done, we would never have had such legislation as this passed in Canada. This measure is designed to encourage industry to move into areas which need them, and it is my belief that members should not support an amendment which would, in effect, force the municipalities to come cap in hand to the federal government and ask for help.

**Mr. Winkler:** After listening to the parliamentary secretary, I think he and his minister should re-examine exactly what they are doing. He has said, in effect, that the whole measure is meant to be discriminative. He told us it would be better to withhold the entire measure than to consult the provinces and the municipalities. I think he was placing the emphasis on the municipalities.

In the years prior to coming to Ottawa as a representative, I had the pleasure of working with business people in my own home town in Ontario. Anyone who has had a similar experience will know very well that provincial legislation prevents municipalities from competing for industry. Municipalities are not able to offer certain attractions such as tax relief; nor are they under provincial law allowed to use these as inducements. However, here we find the federal government offering such incentives—incentives which, as I have said, the municipalities themselves are not allowed, by law, to offer in my own fair province. Is this not extremely discriminatory?

I do not know whether the amendment now proposed will serve the precise purpose which it is intended to serve. Possibly it has been put forward because of the situation at Brantford. This is the reason I have chosen to take part in this discussion. I do so because this situation is mentioned in an article which I intend to place on record. It has been stated in the house on a couple of occasions that on the very day on which it was publicly announced that Brantford was to be declared a depressed area, industry in that city was advertising in cities less than 30 miles away for skilled, semi-skilled and unskilled labour. Does that not make the decision with regard to Brantford ridiculous? There is much more in this than meets the eye. I have endeavoured to impress on the government the odd methods they are pursuing with regard to their practice of patronage. This is evident in other pieces of legislation, too. Since this measure was instituted they have possibly thought twice about it, and declared the odd other area as depressed for the purposes of the bill. But to designate one area, so closely located to another, as being depressed while doing nothing about its neighbours is an unfair thing to do, whether the reasons are economic or political.

Today, there is no industry which would not like to have some tax concession to enable it to expand or to become more competitive so as to do better in either the home market or the export market. But this government has seen fit to restrict this expansion in various ways. Were it not for the restriction on debate I should be glad to go into this aspect at greater length. However, all this has another connotation for the riding of Grey-Bruce, a constituency which for long supported the thinking of the party opposite. I should like the hon. gentleman, and the Prime Minister, who is now sitting near him, to pay particular attention to this. I am reading from an article which appeared in the Hanover *Post* on October 17, 1963:

> As parliament reopens, there are other financial problems beside pensions arising to plague the Pearson government. When the government announced plans for aiding depressed areas by making tax concessions to new industries establishing plants there, the proposal went through without much discussion.

The paper is, of course, referring to the first stage of discussion.

> But implementation of the proposal has brought practical difficulties. One of the areas labelled as depressed is the city of Brantford, Ont., and Brantford has obtained a new industry which had almost decided to locate its plant in Guelph, about 30 miles away, the principal factor in the final decision being the tax advantages offered because Brantford has been labelled a depressed area.
>
> Guelph and other municipalities in the general area are rightly annoyed, but when representatives of seven municipalities in the general area went to Ottawa to remonstrate with the government, they received no satisfaction.

I suppose that in this respect the situation is as described by the parliamentary secretary. The government could not listen to every municipality in the country before making its decision. Nor, apparently, could it listen to the provinces.

> C. M. Drury, Minister of Industry, told the delegation that the decision about making Brantford a depressed area had not been made hurriedly and he would not promise to remove that city from the list of those areas qualified for special treatment.
>
> The delegation had asked that nearby cities be given the same consideration (tax decision?) as Brantford if the government would not alter Brantford's status. This seems to be a reasonable proposal, but it did not impress Mr. Drury. Industrial centres in the same general area as Brantford, such as Guelph, Galt, Kitchener and Waterloo, are subject to the same influences industrially,

and there seems to be a lack of equity in the dominion government's favouring one of them at the expense of the others.

Now listen to this:

Brantford has a Liberal as its member of parliament while the other centres mentioned are represented by Conservatives.

That is the part I want the government to listen to, because I shall have something more to say about it at a later date. The article ends: "Looks like the Grey Prison Farm decision."

**Mr. Caouette:** I am grateful for the courtesy the official opposition have extended to us in not sending us a copy of the amendment. We cannot study it. We do not know exactly what they mean and we would appreciate having a copy so that we could see exactly what it contains.

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, the statement of the hon. member for Grey-Bruce (Mr. Winkler) is correct and applies just as well to the province of Quebec.

In my opinion, this clause is discriminatory to our country since it establishes a distinction between certain areas. The minister should move an amendment to change the clause.

Besides, this section infringes upon provincial autonomy. It is just like putting shackles on certain municipalities. The government should propose an amendment to change the entire clause in order to treat all areas of the country equitably and to stop such discrimination.

I believe the government should mend its ways. Moreover, I am not the only one to make observations along this line, since members on this side of the house generally agree with me on the attitude of the government regarding this particular clause. It has not been adequately thought out, it is contrary to the spirit of provincial autonomy, contrary to common sense, since it is discriminatory.

[*Text*]

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** Mr. Chairman, I merely want to raise a point of order or a point of privilege. I am not sure which. We are being asked to vote on an amendment we have not seen. I have not got a clue as to what it is. I wonder whether it would be possible for us to be given a copy of the amendment.

**The Chairman:** The Chair will read the amendment again for the benefit of the hon. member who does not have a copy. Mr. Alkenbrack moved:

That section 71A (1) (b) be amended by adding: "except that the provisions of this section shall apply only where the municipality in which such taxpayer carries on business has requested the benefit thereof, and that municipalities receiving such benefits must not be closer to each other than 100 miles."

**Mr. Langlois:** We have been told that there is a little bit of discrimination on the part of the government but certainly the setting of this arbitrary distance of 100 miles is also a form of discrimination. In some areas industrial centres are more than 100 miles apart but in other regions they are closer than that. Actually the amendment is imposing a restriction of 100 miles, which is also a form of discrimination. What is the logic in setting the distance at 100 miles? If it is necessary to make it 50 miles for some municipalities we should make it 50 miles. Why set a distance of 100 miles between each municipality that may ask for this assistance? In my view this is also a form of discrimination.

**Mr. Pugh:** Mr. Chairman, I should like to bring to the attention of hon. members the speech made the other day by the hon. member for Oxford which has to do directly with this question of the distance of 100 miles. He said that rather than using a more or less bureaucratic statistical method to establish designated areas it would be much better to look at the matter from the point of view of a metropolitan area. He pointed out that Toronto is a large area extending for some 24 to 30 miles, I believe he said. There is no question that this legislation might well apply to certain portions of Toronto. He compared the situation there with the city of Brantford which has been named as a designated area. The city of Brantford is one of a number of cities in an area of roughly 24 miles. Why pick it out on a statistical basis? Why should all the other towns in the immediate area of Brantford not be named also?

I think his point was very well taken that under the present method the economic set-up is interefered with. As he suggested, within this area of 24 miles there is no question that the chambers of commerce and the town councils have gone out for business. Their efforts in this regard are upset by this form of discrimination when you simply say to them: We will name you on a statistical basis in a bureaucratic manner; we will not even consult you; we will simply name you. This method discriminates against all the other cities which are within a very few miles of the designated city. They are an economic unit and there is no question that they should be treated as a whole.

Offhand I would say that certain areas within Toronto might well want to apply. There are areas which for one reason or

another feel that they are not getting the benefits that other portions of Toronto are. This might seem to be logical, but if you look at the matter closely you will see it is not logical at all but crazy to suggest, for instance, that one portion of Toronto should be named. It is a metropolitan area. Various municipalities joined together as a metropolitan area because of the benefits and advantages with regard to labour, industry, employment and so on.

The same reasoning should be applied to cities which are contiguous and form part of an economic unit. It has been pointed out, and it is quite reasonable, that today labour has a good deal of mobility. In other words, you might reside in the city of Brantford and work close by in one of six or seven other cities. I think that the amendment providing for the distance of 100 miles is completely within reason and for these reasons I support the amendment.

**Mr. Aiken:** Mr. Chairman, several questions have been asked about this particular clause. The objection which the amendment has been designed to eliminate is the designation of areas as depressed or distressed, or areas of future opportunity or whatever you may call them, where the municipalities and areas themselves do not ask for it. We recall that when the former government brought in somewhat similar but certainly not as drastic legislation there were great cries from the opposition of that day about designating distressed areas and calling them distressed or depressed. Some municipalities might have such a degree of pride that they would wish to try to get along by themselves rather than be branded distressed areas. Under the present situation the government is almost saying to an area: You are looking rather seedy so here is a little money to help you out.

I know that this is the basic objection to the legislation and this is what the amendment has been designed to cover. The municipality itself must say that it feels the advantages of the legislation will outweigh any disadvantages that might come about by the municipality being branded a distressed area. There is always the possibility that such a designation might have the opposite effect to that which is intended. Undoubtedly the intention is to give some assistance to the area which has been designated but the effect might be the reverse if businesses which might otherwise go there would not go because of the designation. They might feel it was not the kind of community in which their employees might like to reside. Communities certainly have to consider these matters.



As far as the distance of 100 miles is concerned, I am not sure whether I would want to go that far. I know that the hon. member for Wellington South, who has been so interested in this matter, would have been quite agreeable to setting the distance at 100 miles, and I believe it was his idea. This would eliminate the possibility of an industry moving from one area to another as happened in the change from Guelph to Brantford.

I do think the municipalities should be consulted in a situation like this. They should be given the opportunity to decide whether or not they want to be designated. In supporting the amendment we believe they should have the opportunity so to decide by resolution. If they decide that the benefits will outweigh the disadvantages, then the legislation should become effective. While I have some doubts about the distance of 100 miles, I certainly support the principle of the amendment.

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

**Some hon. Members:** Question.

**Mr. McIntosh:** Mr. Chairman, on page 14 of the bill there is a marginal note reading "business in a designated area". Subclause 3 reads:

> For the purpose of this section, a person shall be deemed not to have been carrying on a business in a designated area in a fiscal period unless—

Then there are a whole lot of qualifications.

**An hon. Member:** It will not be long, just five minutes.

**Mr. McIntosh:** Do you want to take up the five minutes? When speaking on this bill on another occasion the hon. member for Edmonton East pointed out that it seemed that under the bill someone starting up a new business had to have machinery which was 95 per cent new. That is the understanding that some of us have on this side because the minister did not deny it. The amendment to section 71A (1) (b) adds these words:

> "except that the provisions of this section shall apply only where the municipality in which such taxpayer carries on business has requested the benefit thereof, and that municipalities receiving such benefits must not be closer to each other than 100 miles."

That is the understanding some of us on this side of the house have because the minister did not deny that fact. I would say that the capital cost allowance for new depreciable property seems to be a further protection for big business, and there seems to be a discrimination here between those with a good line of credit and those with a limited

line of credit. In other words, there is a further imposition on small business, and particularly on the small manufacturer who wishes to purchase a less expensive type of furniture or possibly used machinery.

From experience I can say that a small businessman who starts up with limited capital and limited credit cannot afford to go out and buy new machinery, and every year when his income tax return goes through it seems that if he has made any profit the income tax people take his bank account and leave him with his accounts receivable and inventories.

When I talk about manufacturing I am thinking of cases in the smaller settlements of western Canada, where possibly a manufacturer may wish to start up a soft drink factory and the potential for customers is not too great. He may know some other company in a larger centre which is going to enlarge its plant, necessitating the purchase of new machinery, and he buys the machinery it is replacing.

As I said before it seems to me that this is discrimination, to put this stipulation in the bill. Seeing that the minister did not answer the hon. member for Edmonton East—

**Mr. Macdonald:** Would the hon. member permit a question?

**Mr. McIntosh:** Certainly.

**Mr. Macdonald:** If the hon. member—and this could apply equally to all hon. members on the opposite side—has any confidence in the amendment, maybe we can vote on it now, and put an end to their filibuster of their own amendment.

**Mr. Pigeon:** We don't have to receive orders from you.

**Mr. McIntosh:** I wonder if the hon. member who has just spoken would elaborate a little bit on his remark?

**Mr. Macdonald:** The best answer is for us to vote on it, Mr. Chairman.

**Some hon. Members:** Question.

**Mr. Pugh:** I have a few questions to ask yet.

**Mr. McIntosh:** Well, Mr. Chairman, I think I can safely say all hon. members of the house are in favour of the amendment, or the other amendment qualified by the hon. member for Grey-Bruce.

**Mr. Turner:** May I ask the hon. member a question?

**Mr. McIntosh:** Certainly.

**Mr. Turner:** The hon. member referred to the hon. member for Grey-Bruce whose complaint, as I understand it, was that if we were going to treat one municipality in a certain way we should treat them all in the same way. How about this subamendment putting the prohibitive distance of 100 miles between areas? How can it achieve that result?

**Mr. McIntosh:** I do not think he had anything to do with the subamendment, except that he spoke on it. But it does seem very odd to us, as the hon. member for Grey-Bruce pointed out, that in this one particular locality where there is a Liberal sitting member it should be a designated area for assistance under the income tax bill.

**Mr. Pickersgill:** Does that apply to Blairmore, Alberta?

**Mr. McIntosh:** And I understand an area with a Liberal minister, also. These are things which the people of Canada want the government to answer. If our accusations and insinuations are wrong I am quite sure some people on that side of the house will get up and give all the other areas around Brantford an explanation or an answer to the question put by the hon. member for Grey-Bruce.

**Mr. Pickersgill:** Would the hon. gentleman permit me to say a word at this time?

**Mr. McIntosh:** Certainly.

**Mr. Pickersgill:** Since there is such an obvious desire to co-operate and get this bill through today, I was wondering if there would be general agreement to have the committee sit for the next hour and complete the bill?

**Mr. Diefenbaker:** No.

**Mr. McIntosh:** Mr. Chairman, I have been in the house since 1958 and I understand there are rules and regulations by which we are guided and which we are expected to follow. Since the hon. member for Bonavista-Twillingate has become house leader I think, if one went back on the record since the session started, he would find there have been more requests from that one member to change the rules and regulations than there were in the preceding five to ten years. May I call it five o'clock.

Clause stands.

Progress reported.

**Mr. Deputy Speaker:** It being five o'clock p.m. the house will now proceed to consideration of private members' business as listed on today's order paper, namely, public bills and private bills.

*Criminal Code*

## CRIMINAL CODE

### AMENDMENT TO PROVIDE FOR PROVINCIAL LOTTERIES

**Mr. Georges Valade (St. Mary)** moved the second reading of Bill No. C-36, to amend the Criminal Code (provincial lotteries).

[*Translation*]

He said: Mr. Speaker, it is probably the umpteenth time that I rise to speak in this house to try and convince the government that it should welcome the request it has received several times in the course of many years to amend the Criminal Code in order to authorize provincial or national sweepstakes.

During the debate on the Income Tax Act, when one of my colleagues raised a certain point, the hon. member for Rosedale (Mr. Macdonald) asked that the question be put to a vote. He was accusing opposition members of engaging in a filibuster because they were expressing their views on the value of the proposed amendments to the Income Tax Act.

Mr. Speaker, I hope the hon. member will keep his colleagues from engaging in a filibuster in regard to the bill I am introducing and also that he will ask them to allow the question to be put to the vote. I suggest also that he asks his colleagues not to drag on their remarks so that by the vote, people will be informed of this viewpoint on that matter.

Bill C-36 seems to be agreeable to all the population, or at least to the majority of the people of the province of Quebec.

Its provisions differ somewhat from those of similar legislation introduced in the house these last four or five years, since its main purpose is to amend section 179 of the Criminal Code by adding an exception to the qualifications pertaining to the setting up of lotteries.

In short, the bill aims at adding an exception which would read roughly:

> That the Criminal Code authorize provinces that so wish to proceed to the establishment or setting up of provincial lottery systems, to help hospitals, social security systems or other organizations whose purpose is to improve the well-being of Canadians.

If this bill is passed, and I hope it will be, it will satisfy the needs of the people.

Objections are being raised across Canada, especially in some areas of some provinces, sometimes for quite justified reasons, but often for highly questionable reasons; but citizens nevertheless oppose the plan for a national lottery to be set up by the government. And that is what prompted me to introduce a bill drafted in such a way as to respect mentality, denomination, in some cases, even the chauvinism of some people about lotteries.

I am also of the opinion that if that bill was agreed upon, it would help to a large extent, in the province of Quebec, to solve the fiscal problems which now face Mr. Lesage and his government.

And if the government makes no move to block the bill through useless discussions, I think we may one day speak of the Pearson plan. However, if the government consciously kills the bill, we will refer to the three P's: Pearson, plan and patronage.

Consequently, I feel it would be better—

**Mr. Habel:** Are you speaking of patronage?

**Mr. Valade:** Mr. Speaker, if the hon. member for Cochrane (Mr. Habel) wishes to ask me questions about patronage today, I am in a better position to answer him now than I was last week. For the time being, I would rather deal with the subject under discussion and ignore the nonsensical remarks of the hon. member for Cochrane. I will come back to them later if he wishes me to do so.

Mr. Speaker, I could speak at length on this bill. I could give you its history or expound a philosophical study or thesis on the morality of such a legislation.

I could also give you statistical data to establish a comparison between Canada and the 70 countries that have already enacted similar legislation.

Of course, I could quote a number of documents to support my point and to show the advantages of a lottery such as the one which is proposed in this bill. But I think that would be a waste of time.

During the past several years, we have heard in this house the views of members from all parts of the country, from coast to coast.

In this session, after the movement had been launched by the Conservatives when they were in office in 1958, we have stirred up interest for this bill. I notice that on the order paper, for example, we have several similar bills, one in which the wording is different, that is Bill C-21, introduced by my colleague the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). We have also Bill C-24, introduced by the hon. member for Acadia (Mr. Horner), and then Bill C-44, under the name of the Creditist member for Beauce (Mr. Perron). As for the last one, even though I am greatly pleased to see it on the order paper, I find it is a plagiary, complete with periods and commas, of the bill that I am introducing today.

In the past, members who had gone through the election mill have appealed here on behalf of a lottery. The former member for

Calgary South, Mr. Arthur Smith, a Conservative, the Liberal member, Mr. Merv. Hardie, and the member for Vancouver-Kingsway (Mr. J. F. Browne), introduced bills of their own. I mention their names as a token of esteem for the work they did in that field and also to remind the house that members from all parts of Canada appealed in favour of lotteries.

Which goes to prove that the majority is in favour of lotteries. Not only members of parliament but public bodies are interested. For instance, the 800 chambers of commerce of Canada are in favour of the project. At a recent congress of mayors and municipalities held in Ontario, the federal government was asked to set up a lottery. Recently, we had the opportunity of seeing how interested the public is. I should like here to express in particular, the admiration I have for Mrs. English, of Calgary, who has set upon herself to get one million signatures in Canada in favour of sweepstakes. She worked a great deal for that cause travelling all over the country. I wish to pay a special tribute to her. There is also the survey conducted a few years ago by the paper *La Presse* which revealed unequivocally that 89 per cent of the people in the province of Quebec were in favour of a lottery.

I do not understand why the government should ask some members to extend the debate until six o'clock so as to kill the bill, when it should recognize that this bill is logical and acceptable. In fact, it merely suggests an amendment to the Criminal Code in order to enable the provinces wishing to do so to pass legislation allowing them to establish a lottery.

We respect the convictions and conscientious objections of certain persons from different areas of this country.

The statutes of the province of Quebec contain since 1935 an act concerning the establishment of a provincial lottery. In 1949, Mr. Duplessis called for the establishment of a provincial lottery at a convention held in Chicoutimi. At that time, Mr. Jean Lesage, the present premier of the province of Quebec, was a member of the federal cabinet and he had declined to proceed with the request made to him by Mr. Duplessis.

Well, today, the situation has changed. It is now Mr. Lesage who is asking the ministers in Ottawa to establish a provincial lottery. Recently, some federal ministers and the Minister of Justice (Mr. Chevrier) in particular stated that one must be Liberal in Quebec as well as in Ottawa. If that is true, I wonder why the Liberals of Ottawa turn down the request of the Quebec Liberals.

I hope that the hon. member for Dollard (Mr. Rouleau) who will speak later will tell us whether he intends to act upon Mr. Lesage's request to amend the Criminal Code.

**Mr. Boulanger:** Would the hon. member allow me a question?

**Mr. Valade:** Certainly.

**Mr. Boulanger:** You said that Mr. Lesage has submitted an official request. Could you be more explicit?

**Mr. Valade:** It is a fact that Mr. Lesage made a request a few years ago. He wrote, I believe, to the Minister of Justice to that effect asking him to consider a bill authorizing a provincial lottery. At that time, a federal-provincial conference was to be held and during that conference, the project was to be discussed. There was no federal conference and when Mr. Lesage came to Ottawa in September last, he did not mention it, but all the same he had advocated such a bill at political meetings even if he did not mention it on that occasion as he had promised.

I understand that Mr. Lesage is playing politics with this matter while we, Conservatives, would like to pass legislation. We are certainly not playing politics since we are advocating this legislation.

**Mr. Prosper Boulanger (Mercier):** Mr. Speaker, I rise on a point of order. I asked a question and the hon. member did his best to answer, but he is far from being clear and precise. He has just admitted there was no official demand made to the government.

**Mr. Valade:** It is not a reason to rise on a point of order. Should the hon. member wish to ask me a question, I shall answer him by recalling the promise that his colleague, the hon. member for Dollard, made during the last electoral campaign, on the occasion of a political rally in northern Quebec.

**Mr. Boulanger:** This is not an answer.

**Mr. Valade:** The hon. member for Dollard said that should the Liberal party be elected, we would have provincial lotteries.

I am very happy to see the Minister of Public Works (Mr. Deschatelets) applaud, for he himself, when he was occupying the opposition benches, demanded lotteries. I am anxious to see whether he shall induce his friends not to kill the bill. We shall then know whether the minister applauds simply to make noise or if he really desires a lottery such as we request.

**Hon. J. P. Deschatelets (Minister of Public Works):** May I ask a question?

Would the hon. member for St. Mary be able to explain why, from 1957 to 1963,

when his government enjoyed a record majority in the House of Commons, it did not follow through with that resolution?

**Mr. Valade:** It gives me pleasure to answer that question. First of all, we did not have an overwhelming majority at that time but rather from 1958 to 1962. We had then inherited from the Liberals the unemployment problem and we did not have time to deal with lotteries. But since, the Conservative members settled down to work. Besides, if the minister will refer to the order paper, he will note the complete lack of such bills in the name of hon. members of the then opposition. It is easy to say that we did nothing during these four years, but the Liberals were in office 22 years and there was never any mention of lotteries on their part.

When Mr. Lesage was a member of the federal cabinet, while Mr. Duplessis was premier of the province of Quebec, there was a request to amend the Criminal Code in order to allow lotteries to be held. The Liberals, who were then in office, refused. I recall at this point the promises made by the Liberals during the last electoral campaign. The hon. member for Dollard had reached a point where he had nothing to lose in making so bold as to promise that, once in office, a Liberal government would grant lotteries to the province of Quebec.

**Mr. Guy Rouleau (Dollard):** Mr. Speaker, I would like to direct a question to the hon. member for St. Mary.

**Mr. Valade:** If the hon. member for Dollard would let me recite what he promised, he could ask me a question when I am through. I think it would be advisable for him to follow that course.

**Mr. Rouleau:** My question is related to the one asked by the hon. member for Mercier. Is the hon. member for St. Mary aware that when his party was in office, the premier of Quebec, Mr. Lesage, asked that the holding of provincial lotteries be permitted? Could the hon. member tell the house when the premier of Quebec made a similar request to the present government?

**Mr. Pigeon:** During the last electoral campaign, at the time of the famous 12 month ultimatum.

**Mr. Valade:** Mr. Speaker, I am ready to answer that question. I remember the numerous ultimatums delivered by Mr. Lesage who, during the election campaign, even said he would deliver an ultimatum to the federal government if the latter did not, within 12 months after its coming into office, amend the Criminal Code so as to legalize lotteries. The hon. member for Dollard can confirm or deny what I am saying, but I have enough information to prove that Mr. Lesage stated over and over, during the election campaign, that if he were elected, he would give 12 months to the Liberal party to legalize lotteries in the province of Quebec. Besides, I suspect the hon. member for Dollard of trying to prevent me from quoting a newspaper article mentioning him. Without further delay, I quote an item published in *Montreal-Matin* of May 3, 1963—

**Mr. Rouleau:** It is not the *Reforme*.

**Mr. Valade:** No, not the *Reforme*. This is a more honest newspaper than the *Reforme*. This article says:

> As for the Liberal member Guy Rouleau, he promised during the election campaign that a Liberal government would pass an amendment to the Criminal Code for the setting up of provincial lotteries.
>
> Mr. Rouleau being in Vancouver, I could get in touch with Mr. Valade only.

Now, if the hon. member for Dollard is not satisfied with this quotation, I will ask him to deny it officially. Can the hon. member for Dollard, who constantly interrupts me, deny that he promised provincial lotteries, if his party was elected? He will be able to speak later on, but till then, I would ask him to state clearly whether he promised that the Liberal party, if elected, would amend the Criminal Code so as to authorize the province of Quebec to pass its own legislation for the holding of lotteries.

Mr. Speaker, it is now up to the hon. member for Dollard to answer, and I hope that when he speaks in turn on this bill, he will not take advantage of the situation to talk it out.

**Mr. Boulanger:** It is not him, it is you who are talking it out.

**Mr. Valade:** I hear the hon. member for Mercier. We should be happy to know his contribution in favour of lotteries. I advise him to prepare a bill, if he can do it, and we shall be happy to discuss its merits.

Mr. Speaker, there are of course many things I could say with respect to lotteries. First, the purpose of lotteries is to help hospitals.

The benefits we would derive from them could pay for hospital insurance.

We could also include in those benefits the cost of the promises made by the people who were formerly in the opposition and who are now in office. In this connection, I remember the speeches of the hon. member for Essex East (Mr. Martin) who is now Secretary of State for External Affairs, and also the claims of the Minister of Public Works (Mr.

Deschatelets) who, at that time, requested that mental and tubercular patients enjoy the benefits of hospital insurance.

I am convinced that if we had a provincial lottery, that would enable the province of Quebec to help those two groups of patients.

Through this legislation, we could probably succeed in reducing taxes in the province of Quebec. Heaven knows how heavily we are being taxed in that province since the Liberal government came into power.

Moreover, Mr. Speaker, one of the purposes of establishing a lottery would be to prevent underhand lotteries or rackets which are conducted in every Canadian city. We read every day in the papers about people being arrested and prosecuted for operating illegal lotteries.

Several judicial authorities have declared themselves in favour of the establishment of state or provincial lotteries so as to check rackets and illicit lotteries.

I would like to take this opportunity to quote an excerpt from the May 3, 1963 issue of *La Presse*, which reads as follows:

> Mr. Justice M. Andre Blain favours the establishment of lotteries "for the sake of the human race".

I could quote many other judicial authorities to prove my point in this respect.

When we propose the adoption of a lottery legislation, the biggest objection relates to morality. I cannot understand that such a question could possibly be raised nowadays. Public opinion on lotteries has greatly evolved in the last 20 years.

In this connection, I would like to quote the opinion of certain church authorities, especially that of Cardinal Griffin, who had this to say on the subject:

> The important point, what is immoral is the abuse and not gambling in itself, and in that respect, there are many puritan opinions which would have to be rectified.

In my opinion, these words of Cardinal Griffin bear repeating: "many puritan opinions which would have to be rectified."

I believe that when we talk about morality, there are indeed highly puritan opinions which need to be rectified.

It is for that reason that we must be realistic. I had the opportunity to realize that in some areas there are groups of citizens who exert pressure who object to the establishment of lotteries simply on moral grounds. It is for this reason that I moved the bill, because it respects those regional trends—

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. I must interrupt the hon. member and inform him that his time has expired. The hon. member for York-Humber (Mr. Cowan).



**Mr. Valade:** If I may have a minute or two, Mr. Speaker, with unanimous consent, I will conclude my remarks.

**The Acting Speaker (Mr. Batten):** Does the house give unanimous consent?

[*Translation*]

**Mr. Boulanger:** On a point of order, Mr. Speaker. I should like to remind the hon. member for St. Mary that there is precious little time left before six o'clock and that if, as he said himself about 20 minutes ago, the bill is talked out, he will have to take his share of the blame for that.

**Mr. Valade:** Mr. Speaker, on the point of order, I realize that the hon. member for Mercier will not be speaking on this bill since he is unable to do so. However, concerning the point of order, Mr. Speaker, I should like to say—

**Mr. Boulanger:** On a question of privilege, Mr. Speaker. I want the hon. member for St. Mary to know that when I mentioned that time was going fast, I did so as tactfully as possible.

Now, the hon. member said I would be unable to speak on the lottery bill, thereby insinuating that I am not competent enough for that, and I would ask him to take back those words.

**Mr. Valade:** Mr. Speaker, I could talk on the question of privilege and say that when the hon. member interrupted me he goaded me, so to speak, implying that if I talked on my own bill I would talk it out myself. He attributed to me a totally wrong intention. The implication of the hon. member was of a kind likely to discredit me in the minds of those who will read *Hansard*. That intention never entered my mind. That takes care of the question of privilege.

As for the point of order, I should like to ask the house to allow me to complete my remarks, as it will take me only a few minutes—

**Mr. Lambert:** Agreed.

[*Text*]

**The Acting Speaker (Mr. Batten):** The hon. member for St. Mary will realize that the house has given him extra time already. I am sure he would want to finish what he has to say within a minute or two.

[*Translation*]

**Mr. Valade:** Mr. Speaker, I thank the members for their kindness. If, for technical reasons, it is impossible to have a vote on this matter this afternoon, I ask the government to submit the problem of lotteries to a special committee of the house for study and order

that committee to submit a report before the end of this session, so that the members may study it and the house may reach a definite decision on that matter.

I, therefore, conclude my remarks by reading part of an article by Andre Laurendeau, which appeared in *Le Devoir* on March 14, 1962:

> This is a field where the provincial state of Quebec wants to act and could act. What prevents it from doing anything is solely the moral judgment rendered on lotteries by the Anglo-Canadians and the section of the Criminal Code which translates that judgment into judicial terms.
>
> This is the reason why it seems to us that the obstacle should be removed. The provinces should be free to do as they wish.

Finally, Mr. Speaker, I hope that the house will have the opportunity to vote, in order that we may know the views of the members on the matter of lotteries. If the house cannot take a vote, I again ask the government to consider favourably the establishment of a special committee to look into the matter.

[*Text*]

**Mr. Ralph Cowan (York-Humber):** Mr. Speaker, this is the third occasion in less than a month on which the question of lotteries has come before the House of Commons. I regret very much that the hon. member for St. Mary (Mr. Valade) should have prefaced his remarks by asking members on this side not to filibuster his bill. No member on this side of the house has any intention of filibustering his bill—any more than the hon. member for Swift Current-Maple Creek (Mr. McIntosh), who spoke from the other side of the chamber a little while ago, when he said he was not filibustering the income tax bill but was speaking in favour of the measure.

I am 100 per cent in favour of the bill introduced by the hon. member for St. Mary. In rising to speak in this debate I wish to make a contribution which I did not deliver when speaking on the bills introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) and by the hon. member for Acadia (Mr. Horner) two weeks ago.

Since the last occasion when this subject was discussed, the Cambridgeshire has been run in Britain and hundreds of thousands of dollars have been distributed to successful prizewinners on this side of the water. Their names have appeared in daily and weekly newspapers throughout the length and breadth of the land. When one finds people in such small places as Meaford, in Grey county, Ontario, holding tickets on the Irish sweepstake, he realizes how widespread is the purchase of such tickets throughout the dominion. Since the distribution of those tickets there have been prosecutions in the province of Ontario in connection with such small matters as bingo games and raffles. I hold in my hand a cutting from the Toronto *Star* of last Tuesday in which there is an account of a Canadian Legion branch being fined $225 for raffling a boat, motor and trailer valued at $1,800 at a dance hall on August 1. In the course of the trial, Magistrate Butler, an experienced member of the bench, told the lawyer for the Canadian Legion branch concerned that the remedy for the situation in which his clients and others found themselves lies in the hands of the members of parliament who could change the law. When an experienced member of the bench describes the present situation in Canada as a situation needing a remedy he is describing it as a blight on the body politic. When it comes to the question of lotteries, we can go back to July 8 when the hon. member for Joliette-L'Assomption-Montcalm asked the Minister of Justice whether or not any action would be taken with regard to lotteries in Canada. The Minister of Justice (Mr. Chevrier) as reported in *Hansard* of that date replied:

> I have, indeed, examined the voluminous file on lotteries of which the hon. member is speaking and I notice that during the six years when the hon. member's party was in power it did not take any decision on this issue. I hope it will be possible for me to make certain representations in due time.

I notice that no time is definitely referred to in that reply. We were not told when these representations would be made. I should like to say I do not like the answer given to the hon. member for Joliette-L'Assomption-Montcalm any more than I liked the reply given by an hon. member on this side of the house this evening when he said that in the previous four years or six years the government supported by hon. members opposite had taken no action with regard to lotteries. Let me point out that for more than three years before the present government took office illegal actions were being committed on the St. Lawrence in the world of shipping, but the government of that day took no action against the S.I.U. However, we are in the process of clearing up that situation. The previous government during all the years it was in office took no action with regard to the pay of members of the House of Commons, but when the present government came to power it did take action and I believe all members of the house and of the other place are satisfied with the attitude this government took.

When we are considering this question of lotteries I do not think we should take the attitude: You did not do anything about it, therefore we will not. We have these two precedents, the precedent of the S.I.U. situation and of the pay of members of the House

of Commons and of the Senate. And I believe that within the lifetime of this session of parliament there will be a change made in the lottery laws in accordance with the desires of such forward looking members as the hon. member for Joliette-L'Assomption-Montcalm, the hon. member for Acadia and the hon. member for St. Mary.

I should like to refer to some comments made recently by hon. members opposite with regard to widows applying for post office business in the province of Ontario. It seems that one of these women, a widow, is being condemned for her enterprise in soliciting an appointment which has come to her. But I have heard no one make any comment about a poor widow in London who was convicted on October 25 for selling lottery tickets, as her husband had been doing for 20 years prior to his death. If we are to become exercised about the financial position of widows in small towns in eastern Ontario, why cannot we be so exercised about widows in a big city in western Ontario?

Speaking on the bill introduced by the hon. member for Joliette-L'Assomption-Montcalm I mentioned that after making an earlier speech on the subject of lotteries I had received a tremendous number of letters, telegrams, telephone calls and personal visits commending my statements with regard to the desirability of licensing lotteries. The only protest I received was from a minister of one of the Protestant denominations of this country; it was a three page letter which, I assure hon. members, contained more heat than light. I do not like reading speeches, but I should like to read some comments here because I intend to quote biblical references in answer to that great body of Christians who are fighting against the licensing of lotteries by using, practically, only moral grounds. In the 18th verse of the 18th chapter of Proverbs, in the Old Testament, it is stated: "The lot causeth contentions to cease, and parteth between the mighty". Well, if the lot causes contentions to cease, the sooner we introduce lotteries into this country and get rid of the contention which exists with respect to this law among the ten provinces which make up Canada, the better for all concerned. With regard to biblical and religious answers to that group of moralists who are seeking to put Canada in a strait-jacket, I would simply state that the question of lotteries in Canada is completely overshadowed and almost blotted out of human consciousness by the great cloud of hypocrisy that has been built up throughout the years by those who have taken on the self-imposed task of acting as their brothers' keepers by arguing against the continuous demand of the people that lotteries should be legalized.

I know that definite protests have been received by members on this side of the house from at least two prominent communions of church-going Canadians asking that every effort be made to see that this bill, and others like it, are not allowed to become law. Now I consider myself as regular a churchgoer as many, and more regular than most, and I ask those who are objecting to this bill on religious grounds if they have for a single moment considered the role of lots or lotteries in the lives of the people who have given us the greatest treasure of all—the Bible.

Is St. Matthias held in less esteem than the 11 disciples who remained following the betrayal of Christ by Judas? Of course not. But how many realize that St. Matthias was chosen by lot to fill the post vacated by Judas Iscariot? Under the guidance of Peter, as recorded in the first chapter of the Book of the Acts written by Luke, the doctor, the apostles, numbering about 120, nominated two to the vacant discipleship and then in the 26th verse we read "They gave forth their lots; and the lot fell upon Matthias; and he was numbered with the eleven apostles."

Would those who seek to deny Canadians the right to participate in lotteries condemn the 120 apostles mentioned in the Book of the Acts, for choosing that saint, Matthias, by a system that is condemned in this country today?

There are many, many references through the Old and the New Testaments to the "casting of lots". It was evidently an established manner of living among the ancients and one can read of all manner of decisions being made by the resort to chance. Without a doubt the best-known episode in the long history of casting lots or conducting lotteries, took place at the foot of the cross on Calvary almost two thousand years ago. In no less than three of the gospel accounts of the crucifixion direct mention is made of the casting of lots. In Mark 15, verse 24, we read:

> And when they had crucified Him, they parted His garments, casting lots upon them, what every man should take.

In the 19th chapter of the gospel according to St. John, verses 23 and 24, you will find it written:

> 23. Then the soldiers, when they had crucified Jesus, took...His coat: now the coat was without seam, woven from the top throughout.
>
> 24. They said therefore among themselves, Let us not rend it, but cast lots for it, whose it shall be: that the scripture might be fulfilled, which saith,...And for my vesture they did cast lots. These things therefore the soldiers did.

In the book of Matthew, chapter 27, verse 35, that disciple wrote:

> And they crucified Him, and parted His garments, casting lots: that it might be fulfilled which

was spoken by the prophet, They parted my garments among them, and upon my vesture did they cast lots.

Who was the prophet to whom Matthew, Mark and John referred? Why, none other than David, king of Israel, who more than a thousand years before prophesied in the 22nd psalm: "They cast lots upon my vesture".

I am not one to hold up to the world the action of the four Roman soldiers at Golgotha as an example to be imitated, but I do emphasize that the great prophet David recognized that the casting of lots was an integral part of life of his day and age and he knew that the practice would not be stamped out by religious fanatics during the thousand years between his reign and the crucifixion. And please bear in mind that after the casting of lots by the soldiers to govern the division of our Lord's garments, about 120 apostles resorted to chance in selecting the thirteenth disciple.

Since it is evident that all ranks of the population in Jerusalem relied on lots, why are some religious communions in Canada 2000 years later endeavouring to maintain a ban on lotteries? If it was good enough for the disciples, surely it could be adopted with profit by those who seek to follow their teachings and who might very wisely also endeavour to follow their example.

In directing these few remarks to those religious organizations which are making efforts to relegate lotteries to limbo, I would point out that nowhere in the Bible is the practice of divorce praised by our Lord. As He went about doing good, in great contrast to many modern teachers who just go about, He was asked about divorce in the 19th chapter of Matthew. His listeners advised Him that Moses had allowed them to practise divorce and the Lord remarked in forthright terms:

...Moses because of the hardness of your hearts suffered you to put away your wives.

In all sincerity I ask those who are opposing the passage of this bill, if Moses took cognizance of the desires of the people and amended the moral law, why can you not take cognizance of the desires of the people and support those who wish to re-establish in this country a practice which was widespread in the time of Christ and which He did not condemn? If the busybody do-gooders who are seeking to confine Canadians within a legalistic strait-jacket with regard to their mode of living wish to follow old time practice they should leave the question of lotteries alone and endeavour to upset Moses' action in allowing divorce.

We have heard arguments in the house over the past several weeks that we should follow the example of Great Britain by removing the desks from the House of Commons and becoming more of a clublike organization than we are. We are told that in Britain they do it this way and in Britain they do it that way and in Britain they do it the other way and we should follow their example.

In two previous discussions on lotteries in the house I made a passing reference to the national premium bonds in Great Britain.

**Mr. Valade:** Will the hon. member permit a question?

**Mr. Cowan:** Certainly.

**Mr. Valade:** The hon. member's Biblical citations have really been amazing to me, but I wonder whether he would discuss the purpose of my bill which is to amend the Criminal Code with a view to permitting the provinces to pass their own legislation in this regard. I would really be interested in knowing if there are some citations from the Bible to support my demand.

**Mr. Clancy:** Is the hon. member going to continue so he can call it six o'clock? Let us vote on the matter.

**Mr. Cowan:** Mr. Speaker, in answer to the hon. member for Yorkton I would point out that on both previous occasions when I spoke on the lottery bill I sat down in ample time to allow a vote to be taken and I shall do the same thing today, I assure him.

I wish to refer to the fact that Great Britain has national premium bonds, and has had since 1957. The practice of making monthly draws in Great Britain was instituted by the Right Hon. Harold Macmillan in a speech in the House of Commons on the 17th of April, 1956.

**Mr. Clancy:** We know that.

**Mr. Cowan:** If Great Britain is making use of premium bonds, which is nothing but another form of lottery, and all members of the house are asked to follow the example of the British house by removing the desks and having a more clublike atmosphere, I also hold up the example of Great Britain in that regard.

I also pointed out that in 1956 Lady Tweedsmuir, a member of the British House of Commons, asked the Right Hon. Harold Macmillan if he would allow these bonds to be sold in the commonwealth so that Great Britain could bring in—

**Mr. Valade:** Mr. Speaker, I am sorry, but I must raise a point of order. The hon. member is discussing ways of applying lotteries and he is making comparisons with other

countries, but the principle of my bill is to amend the Criminal Code to allow the provinces to pass their own legislation. I should like the hon. member to speak on the merits of my bill and not fly away from it into the words of pious Biblical personalities. I should like him to comment on the principle of my bill.

**Mr. Cowan:** As I stated when I began to speak, I am 100 per cent in favour of the subject matter of this bill and I certainly hope it will pass with an overwhelming majority. However, having referred to the action of the British government in introducing premium bonds I again want to refer to those moralists who are opposing lotteries in this country and to point out that the Right Hon. Harold Macmillan in the course of the discussion there stated that the purchase of these bonds appealed to those members of the community who are not attracted by the reward of interest but who do respond to the incentive of fortune.

I believe that this opportunity also should be given to the Canadian people as well as that of buying lottery tickets which would be legalized by the bill of the hon. member for St. Mary (Mr. Valade).

I should like to make one further quotation and there will still be time to have a vote. Dr. Morton, a professor at Osgoode hall, Toronto, investigated in 1957 the question of gambling in Canada and reported that he was puzzled by the approving attitude of many people, some of them clergymen, who violently opposed public lotteries but favoured "Ernie", the monthly premium bond draw in Great Britain, a nation that has the safest gambling in the world. "Ernie" is the short form for electronic random number indicating equipment which is used to make the draw on all one pound premium bonds in circulation, but only 4½ per cent interest on all the bonds in the draw is involved, not the bonds themselves. I say to hon. members that I am in favour of this and in order that there may be time for a vote I shall cease my remarks at this moment.

**Mr. Frank Howard (Skeena):** Mr. Speaker, the members of the New Democratic party who are in attendance in the house this evening are unanimous in their contention that this subject matter should come to a vote with the least possible delay. Taking a bipartisan approach I would therefore move, seconded by the hon. member for Vegreville (Mr. Fane) that the question be now put.

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

[*Translation*]

**Mr. Jean-Pierre Côté (Longueuil):** Mr. Speaker, I only wish to make a few remarks.

The matter under consideration has been submitted to the house for several years. In fact, during each session various bills are introduced in order to amend the Criminal Code and thus enable the federal and provincial governments to organize state and provincial lotteries.

[*Text*]

**Mr. Clancy:** May I ask the hon. member a question? Is it fair of the hon. member to deny the right of a vote on this matter?

**Mr. Valade:** On a point of order, Mr. Speaker, I think that the motion has to be put without debate. I believe the rules of the house are that the motion has to be put without debate.

**The Acting Speaker (Mr. Batten):** The motion that the question be now put is a debatable motion.

**Mr. Valade:** But the hon. member was not talking on the motion. He was talking about lotteries.

[*Translation*]

**Mr. Côté (Longueuil):** Mr. Speaker, I was coming to the motion. And since they ask that the question be put, surely we must be entitled to make some remarks in this regard.

In my opinion the successive governments never paid that question all the attention it deserves. From year to year, from session to session, promises were made to the effect that in the near future the government in office would give that controversial question serious consideration. But there is still no sign of action along this line.

It seems that strong pressures are being exerted on the federal government to preserve the status quo. I am absolutely opposed to the establishment of a lottery at the national level, but as far as provincial lotteries are concerned, I am 200 per cent in favour.

The one thing which seems to delay the amendment of the Criminal Code to authorize lotteries is the pressure exerted by certain groups which are against any kind of lottery. Now, if the federal parliament were to amend the Criminal Code so as to leave the provinces free to set up lotteries, those pressures would be brought to bear upon the provincial governments which, I am sure, are fully capable of taking their own decisions in that respect. Mr. Speaker, if there have been pressures against the amendment of the Criminal Code, there have also been pressures in

favour of a change. One of the most distinguished persons to speak in favour of lotteries was most definitely Premier Jean Lesage of Quebec.

Mr. Speaker, provincial revenues are so low compared to expenditures that we have not the right to prevent the provinces, through inertia on our part, from trying to raise revenues from other sources or to prevent great amounts from flowing out of the country.

Mr. Speaker, because certain groups from a province object to this bill, there is no reason why all other provinces should deprive themselves of revenues. The province of Quebec wants to institute a provincial lottery; it has expressed this wish through its prime minister, its associations, its newspapers, etc. Are we going to say "no" to the province of Quebec? What reason are we going to offer for such a refusal? Should the Criminal Code be amended so as to allow provincial lotteries, those provinces will not have to institute them, they will be free to do what they please about it.

How prudish can you get? Mr. Speaker, what is wrong in conducting lotteries? Is it worse than horse racing where bets are legalized and certain individuals make millions of dollars? Are those profits used for charitable works? Yet, those racing tracks are operating throughout the country.

Mr. Speaker, I conclude my remarks by saying: "Let us get something done, let us give more freedom to the provinces".

**Mr. Gerald Laniel (Beauharnois-Salaberry):** Mr. Speaker, I think that—

[*Text*]

**The Acting Speaker (Mr. Batten):** The hon. member for Beauharnois-Salaberry.

**Mr. Valade:** On a point of order, Mr. Speaker, I am under the impression Your Honour was just ready to announce a decision on the point I raised that the motion should not be debated.

**Mr. MacNaught:** He made a ruling on it.

**The Acting Speaker (Mr. Batten):** I refer to standing order 32(1)(c) which states:

The following motions are debatable:
(c) for the previous question;

**Mr. Laniel:** Mr. Speaker, first I want to comment on the motion that was put by the hon. member for Skeena (Mr. Howard).

**Mr. Lambert:** On a point of order, Mr. Speaker I think as a result of the motion put by the hon. member for Skeena, which was properly seconded, the effect of which is that what is to be debated is the advisability of deciding the previous question. That is a debatable motion, and if it were to be resolved in the affirmative then the motion put by the hon. member for St. Mary that there should be second reading of his bill is what would be voted on without debate. Therefore that motion having been put I would submit to Your Honour the ambit of debate was extremely narrow and could not be on the principle of the hon. member's bill.

**Mr. Deschatelets:** I would like to elaborate on the different points raised by the hon. member, but seeing it is six o'clock may I call it six o'clock?

**The Acting Speaker (Mr. Batten):** Order. It being six o'clock I must advise the house that the hour for consideration of private members' business has expired. As the business to be considered at seven o'clock will be the estimates of the Department of Forestry would the house agree to go into committee of supply now?

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

DEPARTMENT OF FORESTRY

1. Departmental administration including $24,000 for grants in aid of forestry research, $1,060,700.

**Mr. Nicholson:** Mr. Chairman, it is a great privilege for me to present the estimates of the Department of Forestry. For some years, I have enjoyed close associations with forestry and the forest industries of Canada, more particularly in British Columbia.

It is natural that my associations with the industry have sharpened my appreciation of the importance of forestry, not only to regional economies but to the development of the nation. I speak not only in economic terms when I make that statement, although we all have some knowledge of the importance of forestry to the economy as the largest earner of foreign exchange, as the principal source of employment, that is in the manufacturing industries, I regard it rather as a unifying influence in encouraging the exchange of ideas between governments, between organizations and between individuals. We have 11 governments, the ten provincial and one federal government.

While we have problems arising out of the fact that the topography in different parts of Canada varies and the weather conditions

vary in the different parts, in bringing together the forestry associations and the forest communities as well as the governments of the provinces, I think we constitute a unit through which you can seek joint solutions of common problems. Perhaps the greatest contribution that the federal Department of Forestry can make lies in the continuing development of this new department as a meeting place for the exchange of ideas on problems of mutual interest. Equally important, it may well serve as a clearing house for the flow of information that is necessary, not only for the well-being of forest resources but of other industries that are so dependent on these particular resources.

Having regard to the importance of forestry to the national economy and to the role that the federal Department of Forestry plays, I think that those of you who have had an opportunity to study the estimates will agree that, to say the least, they are modest. If anything, they are on the low side.

The current estimates, as you will see, total less than $18 million, $17.8 million to be exact, of which roughly $16.5 million form the main estimates and only about $1 million the supplementary estimates. This total is less than $1 million—some $900,000—higher than it was in 1962-63. It is less than $7 million higher than 1960-61, the year in which the department was established. This is the year in which the department functioned for approximately five months. It is worthy of note, I think, that of the $6.9 million which represents the increase over the first partial year of the department's operation, $4.5 million has been allocated to federal-provincial forestry agreements. This leaves only $2.4 million for administration, capital expenditures and an increase in research.

I see here some members of this house, who were members of parliament, when the Department of Forestry came into being. I see one hon. member opposite who played a very important part in bringing the new department into existence. As you will see from a reference to *Hansard*, the raison d'etre for bringing the new department into existence was research. The significant thing is that although the department has been in existence now for roughly three years, the budget for research has been increased by less than $1 million per annum. In contrast I refer to the debate which took place on July 11, 1960, when the hon. member for Qu'Appelle introduced the bill establishing the forestry department. In the speech introducing the bill, he expressed the hope—more than a hope, the decision—that within five years the research appropriation of the department would be doubled. In contrast with that hope, when we are now approaching the end of the year, the increase is less than 15 per cent.

In citing these figures and in dealing with the estimates tonight I would ask the members of the committee to recall that these estimates were prepared by the first minister of forestry, the distinguished member for Victoria-Carleton. When I say that there has been this very modest growth, I am not in any way reflecting on my hon. friend the member for Victoria-Carleton. We have been friends for many years and I have a high regard for his abilities, and his good intentions. I want to express appreciation for what he did during the first year or so that he was in office. But his difficulties—and they were not circumstances which he could control—arose out of the so-called austerity program that was introduced just when the new department was getting going. There was a freeze and the department was not able to recruit the staff which was needed. My reason for mentioning the slow growth is because I want to emphasize to members of the committee the fact that the accomplishment has fallen far short of the hopes expressed by the hon. member for Qu'Appelle when he, in his capacity as minister of northern affairs and national resources, introduced the legislation which brought the department into existence.

If one examines the staff estimates of the department's research element, I am sure one would find that there is real cause for concern. In 1960-61 the research element of the department numbered 826 positions. This year the number is 943, an apparent increase of 117. But I would point out that 44 of these were transferred during the second year, 1961, from the Department of Agriculture. Therefore the real increase is 73, or less than 9 per cent. The research staff has certainly suffered a withering process during the intervening period. As a result, at the end of April or first of May this year the research element numbered less than 850 persons; and allowing for 44 transfers from the Department of Agriculture the adjusted figure of 804 is 3 per cent under the authorized establishment of 1960-61.

Happily, Mr. Chairman, I can record some progress in this area, because some weeks ago treasury board authorized recruitment up to 93 per cent of our current establishment, and the department is now working actively to fill the vacancies. We have had some encouraging responses and it is our confident expectation that within a few months the additional support which we need will be available.

Turning now, for a few brief introductory comments, to the votes themselves, vote No. 1

provides for the departmental administration and the proposed $1.06 million represents an increase of $4,000 only over last year in spite of increases in salaries. Certain intra-vote increases have partially offset the decreases, but the net result is that there is an over-all increase of only $4,000. The professional and special services vote is up by some $10,500, and this is accounted for by the fact that $20,000 is needed for an economic survey of North American timber requirements. Some time ago Canada, as part of the FAO program, undertook a joint study of the timber resources of North America, and $20,000 is required for that purpose.

Grants in aid of forestry research show roughly a $19,000 increase, but this again is merely a paper increase. It reflects a consolidation of certain grants, more than one, into one vote. Telephone and telegraph expenditures are a very good example; they have been transferred into another slot and as a result there has not been a substantial increase.

It might be opportune at this stage to refer to the economics division of the Department of Forestry. That division is financed through vote No. 1, the administration vote. I sincerely believe that it is definitely in the national interest that we have a greater development in the field of forestry economics. It is a specialized field and this is one field which presents real difficulty in recruiting. We have a limited number—I know this from sad experience, having tried to recruit them when I was in industry—of forest economists in Canada, and it should be the job of this federal department to encourage more of this particular type of specialist. A live, active economics division in the Department of Forestry was contemplated when the department was set up. Such a division could make an invaluable contribution to the Canadian economy. For example, a current study is being made with regard to private timber management, and this study is being done in conjunction with the Department of Finance and the Department of National Revenue. This type of work is not only invaluable to legislators; it is invaluable to economics organizations, and it is certainly valuable to most departments of government.

Another area which required vigorous exploration, in my opinion, is market research, and I apply that not only to market research in home markets but also abroad. The federal Department of Forestry I believe can provide a much needed service in this field without coming in conflict with the Department of Trade and Commerce or the new Department of Industry or any other department. I say that because market research in forest products and forest products fields necessitates a thorough knowledge of forestry and forestry practices, woods species and the products which can be made therefrom. It also necessitates, to do an intelligent market research job, a knowledge of consumer demand, of possibilities of use for new products, and the use of certain tree species to produce new products. So that one of the shortages that I see, which I hope will be corrected before too long, is in this field of market research; and forest economists. If we can recruit them, with the right training they can make a great contribution to the Canadian economy.

Finally, our economists must work to provide meaningful information for long term planning in the field of research. It is no good conducting research unless you know it is going to produce some beneficial results, and you are not going to get very far with research unless you can persuade the executives that they are going to get, in the long run, sound financial returns from the investments they are making in this research.

I would close my general observations on the administration vote with a reference to the information division. Here again I think this is a field in which the federal Department of Forestry can make a great contribution. In order to get full value for money spent on research you have to disseminate it and see that it reaches the right people. Therefore, it is necessary to communicate our findings—that is, the findings of the research branch of our department—to a scientific community, and in this respect I believe we are being fairly successful. At least, from visits I have made to different parts of the country, from Newfoundland to British Columbia, I would say the dissemination of this technical information by my department has been quite successful. We must also use our information services to distribute the information to the forest-based industries in different parts of the country. Finally, more than ever we need to bring home to the people of Canada, the general public, the degree to which Canada depends on her forest resources, and the personal stake that all Canadians have in the forest resource in terms of employment, standards of living, recreation, and so on.

We have all been thrilled during recent weeks by the announcement of the wheat deals with Russia, China and other countries. The news was a great relief, I know, not only to the prairie farmers but to transportation companies, dockworkers and others —the news that a billion dollar deal had been negotiated with Russia, some $600 million of which was in wheat. But how many people in Canada realize that, unheralded and unsung, we export $2 billion worth of forest products every year? These are our largest earners of foreign exchange, yet I doubt if

even one person in a hundred in Canada has any realization of that significant fact.

My department has recognized the importance of the information function, and several months ago the deputy minister arranged for the division to report directly to him for policy guidance. I have seen at first hand the benefits of this move. We have a nucleus of well trained personnel, and our effectiveness can be increased further if we put our minds to it.

The reference to my deputy minister leads me to interject that I had hoped he would be with me when these estimates were presented, but he left today to take the chair of the committee on forestry at the FAO conference which opens in Rome early next month. He will be the chairman of the forestry committee of the conference. He is, as many hon. members know, a distinguished forests scientist, with broad experience in business before he joined the department in 1961. In addition he had served as dean of forestry at Laval University. I wish all ministers were fortunate enough to have a deputy minister of that calibre.

Returning to the estimates, hon. members will note there is no change in vote 5 relating to the federal-provincial forestry agreements. This is the second year of a two year program closing on March 31 next. We are reviewing progress in this area and shortly will be in a position to consider future courses.

Turning for a moment to the supplementary estimates, the committee will note vote 11a in the amount of $170,000—the vote to continue the spruce budworm spraying program in New Brunswick. The decision to continue the program during this year was based on a survey of the benefits derived from last year's operations.

The activities of the forest research branch are provided for in votes 15 and 20. In vote 15, the operations and maintenance estimate of about $1.98 million includes a very small over-all increase of $10,000. The largest increase is $29,000 for salaries and wages.

Vote 20, the capital vote, is reduced by about $87,000 to $234,000, since, as might be expected, capital votes are subject to fluctuation. They usually fluctuate upward, but in this case they are fluctuating down. There are no very substantial expenditures in this capital field. The largest is for our research laboratory at Petawawa. Some $50,000 is being spent there. I should like to encourage any hon. members who have a special interest in forestry, or a special knowledge of forestry, to visit this laboratory. We have there a group of well trained and dedicated forest scientists who are not working for the money they can get out of it; they are doing a job for Canada and it would be well worth while for interested members to go up there and spend a few hours with them.

I mentioned earlier my concern about a seeming lack of emphasis on research operations, proper. In the past two years, funds for this purpose have increased by less than $.25 million. Of this amount, 70 per cent went to insect and disease research, 18 per cent to forest products research, and 12 per cent to the activities grouped as "forest research". Some hon. members may have read the comments on the new Department of Forestry which are contained in the Glassco report. I know I read them and re-read them with interest long before I thought I would be presenting the estimates of the Department of Forestry. As hon. members may know, there were comments in the report to the effect that the distribution was wrong. A question was raised because 50 per cent was spent into research on forest insects and forest diseases, 35 per cent on what they call forest research and 15 per cent only on forest products research. There are several explanations for this. One is that a great deal of this type of research work is carried on by the pulp and paper research institute in a building which was provided by the federal government on the understanding that the pulp and paper institute would supply the staff. However, I should like to compare our figures with those of the United States. The United States spend some 16 per cent on insect and disease study, 60 per cent on forest research, and 24 per cent on forest products research. I am not suggesting that this lack of balance is bad, but I am suggesting that we can, and must, if we are to survive as a forest nation, looking forward 50 years from now, spend more in all these fields. It may well be that it is desirable to change this ratio. But the important thing is that we should be doing considerably more.

I mentioned the forest research branch. That title is really a misnomer. Forest economists and those in the forest products research branch are always doing research into the field of forestry. But over the years, when this branch was a division of the Department of Agriculture, it had the name "forest research branch" attached to it and the name has stuck. I believe we could with advantage give it a new name, but that is not as important as is the need to decentralize. Today we find all our branches reporting to the deputy minister. There is no assistant deputy minister in the picture. This is a situation which should be corrected and it will be corrected very shortly.

We must pursue an integrated research program and I may say that with the approval

of treasury board we are examining the department's organization in an effort to carry out the lessons which have been learned during the first two or three years of the new department's life.

There are two or three other votes to which reference might be made. Vote 25 relates to the maintenance and operations of the forest entomology and pathology branch. The proposed estimates of $3.4 million will result in an over-all increase of $41,000 in comparison with last year. Salaries and wages will require an additional $32,000, while the overtime allotment is increased by $9,000. The $28,000 increase in professional and special services is mainly accounted for by a payment to the commonwealth institute of biological control. This item formerly was carried in the Department of Agriculture estimates and provides for the acquisition of collections of parasites, and predators which we need to combat forest pests, and for the receipt of research material from other countries. This is not just a contribution to the commonwealth institute. We get good value, as I am sure the hon. member for Qu'Appelle and others with knowledge of this subject will confirm.

During the relatively short time I have been minister, I have had inquiries seeking information on the department's policy in selecting locations for laboratories. I mention this because the Glassco report commented on the fact that our laboratories were removed from research and from academic institutions and suggested this was undesirable isolation. In principle, I expect that any man of science would agree with that observation. But it must be remembered that the federal Department of Forestry is a unique organization. Responsibility for managing the forests lies with the provinces. When we undertake research, this work has to tie in with the work being done by the departments of lands and forests of the various provinces. We have a research unit in Fredericton, another in Quebec, another in Vancouver, and another in Winnipeg. We also have units located in parts of Newfoundland and in other parts of the country, units which are not directly associated with any other institution. But the answer for that is that under our constitutional set-up and division of jurisdiction, it is of the utmost importance that our research officers work in close harmony and proximity with the forest services of the different provinces.

Speaking of British Columbia, it was my pleasure and privilege to lay the cornerstone of a large new research centre in Victoria in August of this year. The construction of that centre began in April of this year and we hope it will be in service within the next 12 months. It is a building which represents an expenditure of roughly $3 million. There was an amount of $196,000 in the main estimates filed in February of this year, but we are making such rapid progress that we have had to transfer over $600,000 from another part of the estimates to take care of the accelerated construction program in Victoria. This laboratory will provide accommodation for all branches of the department in British Columbia other than the forest products research laboratory which is located on the campus of the university.

I might say that in the construction of the research centre at Victoria every effort is being made to incorporate construction features which will make the maximum use of wood. I must say frankly that I was rather horrified when I looked at the first set of plans and found that the flagpole for a forestry research centre was going to be made of aluminum. That flagpole did not stay in the picture very long.

Two other votes, Nos. 35 and 40, deal with forest products research. There is a slight increase there of some $30,000 which is accounted for by the salary increases which met with such enthusiastic applause in the short parliament of last year. There is another item in the supplementaries which is worth mentioning. It is an amount of $1,000—

**The Chairman:** Order. I am sorry to interrupt the minister but his time has expired.

**Mr. Hamilton:** Mr. Chairman, I wonder whether the customary privilege could not be extended to the minister to allow him to complete his statement.

**The Chairman:** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Nicholson:** I thank members of the committee. I think it is worthy of mention that a forest products research advisory committee has been set up for the first time in Canada's history. In my opinion it is to the credit of the lumber and plywood manufacturers that in the main they pay the expenses of their delegates and representatives on the committee. They attend two meetings a year and travel from all parts of Canada to do so, and the expenditure by the government for this purpose is only $1,000.

There is a slight increase in the forest products research branch, but it is less than $1,000 compared with last year.

One thing that has bothered me is our forest products research publications. The difficulty arises in getting publication in the two official languages. It is not for lack of trying. As I mentioned earlier, my deputy minister is a distinguished French Canadian

scientist. The problem arises out of the fact that it is not sufficient to have anybody as a translator but rather you must have somebody with a knowledge of the scientific terms and phrases that are used, and you just cannot get enough of these people no matter how hard you try. Their numbers are limited and we get a modest share, but not enough to do the job we would like to do in this important field. We are working on the problem and my deputy minister is giving special attention to it.

The translation of our papers from the French in which they are written in some cases into English, and from English into French, is a very technical operation. If any hon. members have any suggestions as to how we can find an answer to the problem we would certainly welcome their suggestions.

**Mr. Douglas:** Are the salaries the problem? Are they too low by comparison with private industry?

**Mr. Nicholson:** No. The problem is that the forest scientist, if he is a real scientist, does not want to be a translator. He wants to do research work. He is not interested in becoming a translator. That is the basic problem.

This concludes my summary of the forestry estimates. I have taken a little longer than I anticipated and I want to thank hon. members for their indulgence in extending the time. It is my hope that the committee has found my remarks informative. I have tried to identify some of the problems confronting us. I feel that the new department has made progress in certain fields. There is much to be done. Many hard decisions will have to be made and we will have to do our best, with the support of parliament, to persuade the treasury board to provide us with a little more money to do the important job that lies ahead of us.

**Mr. Kindt:** Mr. Chairman, I shall be brief. I have another engagement tonight and I appreciate very much the hon. member for Qu'Appelle allowing me to speak at this time. I have listened with a great deal of interest to the Minister of Forestry. I served on the committee on mines, forests and waters where the creation of this department was discussed, and it was as a result of the recommendation of that committee that the Department of Forestry was born. Naturally I am deeply interested in the work of the department not only because I had a hand in its creation but also because there are great problems pertaining to forestry in the constituency of Macleod.

I should like to call those problems to the attention of the minister tonight. He spoke to us about the subject of research. We all know that in the field of forestry there are two types of research, physical and economic. I shall deal only briefly with the question of economic research.

I would hope that the minister in his wisdom would undertake a project in the Crowsnest pass area of Alberta to determine for the people there the feasibility of a pulp and paper mill. They have spent a lot of time in discussing the matter. They have looked at the physical problems and have talked about the economic problems. But they need help from the Department of Forestry.

I urge the minister, who comes from our sister province of British Columbia, to come to the Crowsnest pass area and we will show him everything we have there. The chamber of commerce in the Crowsnest pass area is headed by Mr. Duguid, a very efficient president, and his capable secretary, Mr. Caldwell, who will place at the minister's disposal every bit of information they have to facilitate a study and bring out the facts concerning the possibility of a pulp and paper mill in the Crowsnest pass. If I should happen to be in the area at the time, nothing would please me more than to drive the minister around and show him what we have. I am sure that as the result of a common understanding among all of us the future of that area would benefit. That is all I have to say, Mr. Chairman. I appreciate the opportunity of speaking at this time.

**Mr. Hamilton:** Mr. Chairman, I should like to take this opportunity of welcoming the new Minister of Forestry on the occasion of his bringing forward the estimates of his department for the first time. I do so very sincerely, and I also wish to extend to the officials of the department my great appreciation of the opportunity I had of working with them. I do so not only because of the excellence of their scholarship and their dedication to their work but also because of the fact that they go far beyond the call of duty in basic research involving forest production, entomology, and also in applied research. Any person who has made a visit to the various sections of the department and has seen men who are content to work alone, singlehandedly against the problems they face, knowing full well it may take many years to get the answer, but that possibly that answer can forward the knowledge of science one inch, anyone who has seen these men who are prepared to isolate themselves from the rest of scientific groups to carry through their task to its conclusion, whether it be affirmative or negative, must be aware of their devotion to duty.

As the minister recognized, I had the pleasure of introducing second reading of the

bill which brought this department into being. As he put it very clearly and dramatically, this is Canada's biggest industry, and because of the peculiar circumstance of the division of jurisdiction the problem of the Department of Forestry has to be dealt with in a peculiar manner.

I intend to come to that part of my remarks at the end, but on this first item, I am going to go back, if I may, to deal with one or two of the subjects the minister raised before I go into the peculiar characteristics of running the forestry department. I think the house sat and shared its sympathy for the minister in the problem of research personnel. No section of the government of Canada has more being done in it than the forestry department, and with less personnel.

The job of a minister in fighting for his division, branch or department, as the case may be, is to present the facts with all his skill and with the hope, as the minister said, that his colleagues will see the virtue of putting support behind this particular type of operation. I hope that the dreams we had when we started the department over three years ago will not fail to be realized. We hoped we could double the research personnel in five years, but this is far from being accomplished. We hoped we could extend the extension services into every nook and cranny of the forest industry, not only among the large, integrated operations that exist in the industry but right down to the smallest saw mill operator in any part of Canada.

We hoped three years ago that we could bring to the provinces some of the leadership that seems so necessary at the chaotic level of the marketing arena. I do not think there is any question that in the management of these resources by the provinces—because under the constitution they do have ownership and the right to control these resources—each of the provinces has done a particularly fine job. So, there is no question of complaint as to the responsibility. But the fact remains that we no longer are dealing with an industry which has a problem of marketing within the provinces, but are dealing with an industry where the world demand factor is growing steadily, and the work done by the forestry committee of FAO has demonstrated over and over again that this demand factor is rising.

It is true that sometimes over a period of five to 10 years there is a drop in demand because of temporary over-capacity to produce in relation to that demand, but eventually the long term curve takes hold and the future demand for our forest products, particularly on the pulp and paper side, is exceptionally bright. But because our organization is such that theoretically we have 10 separate management organizations this emphasizes the necessity of the federal government, with its particular interest in the marketing of these products, to try and bring the 10 governments that manage these resources together, in some sort of arrangement where they work together to achieve the opportunities thaat are there. I would be interested to hear from the minister some sort of report of the meetings that have been held between the federal government and the provincial governments, because it is in this field that there is so much to be done.

I think the minister would agree with me we have no complaints on the score that the federal government has stepped up the money to the provinces under the agreements entered into. As the figures show, the amounts have jumped from $3 million to $8 million a year in aid to the provinces under five different types of agreements with them, starting out with inventories and going down to stand improvement agreements. But even though this is a good start and is draining a considerable portion of the money from the department, there are still major problems on the production side.

I think the minister is aware of the Kennedy royal commission report in 1947 and the Ontario conservation report some five years ago, which indicated that some six million to eight million acres of Ontario farmland should be transferred over to the forestry side of the economy. As a person who is interested in all resources I naturally hoped that this type of operation would come under the aegis of agriculture, because in the intensive type of production that will be required in the future, the farmer is the logical person to do that type of work. What I am suggesting is that here we have the leaders of thought advocating that this has to be done, and by all the rules of good land management the forestry use is the best use of land which in many areas is marginal.

Therefore I would like to hear what progress has been made in working out with the province of Ontario some form of much more rapid progress in tackling this problem of reforestation in that province. We here in Ottawa live in the centre of the Ottawa valley and we know that on both sides of the river the problem is the same. This is one of the first areas in which the reforestation program should be stepped up. When I mention the province of Ontario, naturally I do not overlook that this also applies with equal weight to the provinces of Quebec,

New Brunswick and to parts of Nova Scotia. As the minister knows, it is not so much a problem in the west.

I noticed in the estimates the increase in money spent under these agreements, and I would hope some time, through questions and answers, we could find out just a shade more about what type of forest agreements are being made with these provinces, whether they are crown forest or county forests, and how much is going into woodlots and that type of thing.

Having dealt with the more or less orthodox part of the Department of Forestry I think we can say we are well satisfied with the work that is being done between the federal government and the provincial governments in relation to these agreements, and the friendly attitude that exists on both sides. I also think we are extremely well pleased as Canadians, as I said earlier, with the tremendous quality of the research work being done, both basic and applied. However we still think much more has to be done in extending it, but in his remarks the minister showed he is well aware of that.

I do not want to prolong my remarks, but I would like to suggest, if it has not already been done, that a great opportunity exists for the minister to achieve giant, forward steps, for forestry and the whole forest industry, by recognizing that machinery now exists through which he can guarantee to the forest industry of Canada the maximum advantage. I am referring to the machinery known as ARDA, the Agricultural Rehabilitation and Development Act. Looking at it for the moment as simply a matter of the best use of land and water, forestry is the long term solution to the problems that now beset what is called the agricultural industry.

I think it will be recognized that this solution must, by the very nature of the growth of a tree, be a long term solution, but I would hope the minister will make himself fully aware not only of the terms of the ARDA legislation, which is administered by the Department of Agriculture, but will also make himself fully aware of the philosophy behind ARDA. Speaking now more or less on the agricultural side, as opposed to the forestry side, I would point out that forestry was one of the main hopes of those who drafted that ARDA legislation. I am not downgrading the other uses of land and water for wild life conservation, recreation and so on; but in forestry lies the main economic hope that we can do something to redevelop many of our areas which at present do not give Canadians a high standard of living. I am not going into the details of why that is so, but it is well understood.

I hope the minister takes this suggestion in the spirit in which it is offered. In a department full of highly skilled personnel, which does not require too much time on administration, he has ample opportunity to make certain there is someone on the forestry side positively and always aggressively trying to be part of the ARDA concept. He should press his colleague, the Minister of Agriculture, to be in on the ARDA discussions. He should accept no excuse from the Minister of Agriculture because, in the formal sense, agriculture is completely intermarried with forestry. If he does that, then not too many years from now we will see many, many times more farmers on the land than at present, because forestry will give a higher return per acre than any other use.

Therefore I put some feeling into this plea to the minister, that he should not let the Minister of Agriculture be the only person interested in ARDA. The door is wide open in its philosophy and principles, and if the minister, on behalf of those who believe in the ARDA approach, makes certain he is always putting forward the viewpoint as to how forestry can do so much to help solve these tremendous adjustment problems, he will be taking the right approach. I refer to the type of living of many people now in the marginal agricultural areas, and he should not forget that the human factor in these problems is our main concern.

Now, the next suggestion I want to make relates to something traditional in any discussion of forestry and has been referred to already by the minister. This is the question of marketing. This is going to be one of the most difficult tasks because in the field of marketing the jurisdiction in relation to the forest industry lies almost entirely with private enterprise. Outside of the timber board in Saskatchewan and perhaps one or two other areas about which I do not know, I believe private enterprise has the responsibility for selling all forest products. However, we have a federal interest, and a big one. We have an important forest product section in the Department of Trade and Commerce.

If hon. members recall what I said when I introduced the bill establishing this department, I noted that there had to be the closest liaison between the economic division of the forestry department and the forestry division of trade and commerce. I believe this was a good suggestion. However, the difficulty arises as a result of the fact that all you can do with private business is persuade, and at times persuasion has its limitations. If you have a strong national organization such as exists in the pulp and paper industry,

you can make some forward progress. However, the pulp and paper industry has developed traditions in its marketing which do not always jibe with the good of Canada.

I am referring to the fact that many of our pulp and paper mills have their production tied up to some newspaper either in Canada or outside of Canada, mostly outside of Canada. They are not free agents, and therefore, cannot take advantage of the opportunities available to their products in other countries. This tradition is continuing. We see a situation where foreign companies are coming into Canada to get timber rights, and establish a mill in order to satisfy their own demands. There is an integrated set-up in the pulp and paper industry, and in other industries as well, which imposes particular problems on the minister. He has to think his way through the situation to see how he can manage to lead private enterprise to conduct its own business, and yet put in front of them the financial rewards that will be greater than those they are receiving now if they adopt new approaches. He can direct their attention to the new types of trade patterns that I see in the future.

The previous government was studying this problem. One of the things we did, and which I bring to the attention of the minister, was to amend the Combines Investigation Act to give these companies the right to combine.

**Mr. Nicholson:** Perhaps the hon. member for Qu'Appelle will recall that I presented the brief for the forestry industry which brought about that amendment.

**Mr. Hamilton:** I well remember. I hope the minister sees the possibilities that lie in that amendment. You cannot force these companies, under the free enterprise system, to do what you think is right. However, if you lead them the right way, as you know, you may be able to get that type of action which I think will be a good thing. I do not want to go into detail on this for very obvious reasons. I think the minister should be allowed the maximum freedom of movement in trying to lead these industries into fields where there are greater opportunities for themselves and for Canada.

I am going to be critical, if I may, not in any personal sense, and not of the minister or the department, but of the fact that I sense, if I read the situation correctly, there is a tendency towards apathy in connection with some of these difficulties we face. I wonder, for instance, just what has been done to see that the trade and commerce officials are doing the same thing for the forestry industry that they are doing for other industries. I refer to the trade promotional drives. I sense, in looking at the reports and in reading what is available, that there is apathy. I do hope I am wrong and that they are working just as hard for the forest industry as they are for some of the other industries.

Then, the next problem I mention is the question of co-operation with the provinces. I think it is lagging. I know there has been one meeting, and I watch for all the references I can as to what is happening. I would suggest, to put my criticism in a positive way, that there is a need for a strong initiative on the part of the federal government to bring the provinces together in so far as those departments interested in forestry are concerned. We have had a tradition, in the field of agriculture, of regular meetings with the minister. This pattern applies to other segments of the resources side of government activity. Will there be an annual meeting of forestry ministers? Will there be a frank discussion, preferably behind closed doors, about these touchy problems of taxation, for example? Here you have an industry caught in the centre, and the minister knows this better than I do, of a tax war between the provincial treasurers and the federal Minister of National Revenue. There is also a question as to the type of taxes to be imposed by provincial governments.

The problem has been presented many times and this is one of the reasons I think a minister working full time for this department, could profit from a meeting with his colleagues in the provinces and a frank discussion of these things. This leads me to the big suggestion which I hope is in the mind of the minister, namely that the forestry industry in Canada, provincial, federal and private, is under legitimate attack today because it has not developed what I would call a genuine national forest policy. I cannot put the responsibility on any one group because they all know the problem has to be met and they await leadership. The provinces own these resources and maintain them. They are jealous of any interference. Private industries usually operate through the provinces, and they do not want interference from government. Can the minister be sufficiently diplomatic to make all these three divergent groups work together and co-operate in the type of program that is of advantage to all, and yet still retain the jurisdictional rights of each while giving each the maximum freedom.

I am suggesting that there is a precedent to this type of approach. I refer to co-operative federalism. I do not want to go through the list of things that have been accomplished by using this approach. However, there was the working out of the roads to resources program, the planning of the resources for tomorrow conference, establishing the Canadian committee of resource ministers, the ARDA

program, the evolving of co-operation between the ministers of health and labour across this country. All of these touchy problems were resolved by this method of co-operative federalism. Today, in spite of the growth towards co-operative federalism in the last four or five years, we have been surprised to see during the last six months a direct infringement into the provincial field which has caused a furore concerning the municipal loan fund, the pension plan, the Department of Industry and even the expected scholarship plan. This shows that at least many of the minister's colleagues in the government have no knowledge of the forward progress that has been made in the last five years. In the Department of Forestry there is no question of divided jurisdiction, because jurisdiction lies with the provinces. I would say, therefore, it would be well for the minister to use the co-operative federalism machinery that was established by the previous government in solving this touchy problem.

I think that with the obvious maturity, responsibility and business background of the minister, there is a good chance of making this project work. I do think that there are enough facts before us now to warrant a meeting with the provinces to see if we cannot move towards these objectives that we all want. This means working together on overseas markets, working together to use the undeveloped areas on the northern prairies as well as the interior of British Columbia which could stand more pulp and paper mills. The minister knows the other places where you get pulpwood. If we are going to make the maximum use of our resources, get the maximum opportunity that is offered by our export markets, we have to use the co-operative machinery developed under ARDA in connection with forestry. I hope I have not bored the house too much with these remarks but I wanted to keep them to generalities under vote No. 1 in the hope that I can add something positive to the discussion today. I want to thank the committee for giving me such close attention.

**Mr. Herridge:** Mr. Chairman, first of all I wish to congratulate the minister on his appointment. We all know he has had considerable administrative experience generally, and a close association with the forest industry in British Columbia. We all wish him well in all he undertakes to promote this industry. I cannot lose this opportunity also to pay tribute to the devoted technical staff of the Department of Forestry who carry on this very important work, behind the scenes as it were, almost unrecognized by a large percentage of the Canadian people. I sometimes get quite annoyed when I see the attention which is given to some trivial and frivolous matters, and possibly a lack of interest in basic questions like we are discussing this evening.

I also want to pay tribute to all those co-operative organizations in Canada who played their part in promoting the welfare of the forest industry of Canada. For example, the Canadian forestry association, with whose work in British Columbia I am well acquainted. Last year they trained some 800 youngsters at Evans lake, giving them short courses in subjects related to forestry. They have also carried on other excellent work. Then there is the institute of Canadian foresters, and there are numerous growers organizations, conservation organizations and local bodies. All have played their part in the promotion and development of forestry policy in Canada.

I think it is essential that if the forest industry is to receive its proper development in the country we should have the participation of a large percentage of the Canadian people through their organizations and so on.

I must say I listened with interest to all the minister said, and will make a reference or two to his remarks as I proceed. I also listened with interest to the hon. member for Qu'Appelle, and I want heartily to endorse the plea for a close association between forestry and agriculture, particularly in the development of the ARDA program. I know that program has been very close to the hon. member's heart and I willingly give him full credit for all that he did in initiating that program, one which I hope will be continued and extended in the days ahead.

The estimates of this very important department provide an opportunity for us to discuss the role of the federal government in the development and conservation of our forestry resources. The objective, as I see it, of the government's forestry policy should essentially be to acquire for Canada as a whole the greatest possible present and future benefits in the development of our forest resources in relation to the development of all our other natural resources.

I have a particular and personal interest in this subject as the result of my life's experiences. I have lived in the woods all my life, and some members of this house seem to go and hide in the woods on occasions when they are here. I am an old logger, Mr. Chairman, and cut my first log in 1906. I also have the honour to be one of the surviving charter members of the royal and ancient order of upper Arrow lakes cedar savages, so I think I have laid the foundation for my qualification to speak on this subject.

For some seven or eight years, on behalf of this party—because this party has always

been particularly interested in the conservation and development of our natural resources —I have moved motions urging governments of the day to call a federal-provincial conference for the development of a national forest policy in co-operation with the provinces. On every occasion annually, when my motion was the subject of debate in the house, in ordinary language it was loved to death. However, on February 12, 1958, the former prime minister, now leader of the official opposition, announced that a national conference on conservation would be called. We in this group were delighted with this announcement, as were a good many other people too. The former government did do some very worthwhile things, and I think we should give them credit for them. This is true particularly in the field of natural resources and agriculture. They got on to rather thin ice on some other subjects, but I will leave that to another occasion.

As the result of this announcement the provincial premiers were invited to participate in preliminary discussions for the planning of such a conference. I am very glad to say that all the provinces responded favourably and the first meeting of the national steering committee, consisting of ministers from all provinces and from the federal government, was held on November 17, 1958. These were the first steps taken toward the development of a national policy. At this meeting it was agreed to hold another conference on Canada's renewable resources. A research secretariat worked for almost three years to plan and prepare for this conference, and I followed the course of that steering committee with great interest.

The resources for tomorrow conference was held in Montreal from October 23 to 28, 1961. Some 700 delegates representing federal and provincial governments, universities, industry, and numerous organizations across Canada, attended. I think it was an historic event in the development of policy with respect to natural resources in Canada. This conference came to a number of important conclusions, and I mention these, Mr. Chairman, because there are some hon. members in the committee not well acquainted with the developments over recent years with respect to this policy. It was found, as many of us had contended for years, that there was a lack of co-ordination between governments and also between departments in governments. I have noticed this lack of co-ordination on occasion between the wild life branch both in Ottawa and in British Columbia and, say, the forestry service. This frequently occurs. It has also occurred in the Department of Agriculture in cases where it plans without consultation, and things like that. This lack of co-operation has created serious deficiencies in policy in resource development and management. While the conference recognized the existing system of Canadian federalism, in which the ownership of natural resources largely rests with the provinces, it also recognized that fiscal monetary and trade policies are the direct responsibility of the federal government.

The interesting thing in the development of this conference was the clear understanding almost from the first of the responsibilities of the respective governments in this field. The conference developed a much greater appreciation of the responsibilities of federal and provincial governments and the need for a continual exchange of views between governments and their administrative personnel. The members of this group have dealt with that aspect of the problem over and over again throughout the years. To this end it was agreed by the participants to the conference that there should be some provision for a continuing review of resource policy and problems between federal and provincial governments. Therefore, these governments later agreed to the formation of a resource council. The establishment of this council, which was another interesting step in the development of this policy, was announced on February 6, 1962 following the final meeting of the resources for tomorrow conference steering committee. This has set an example for other departments, in my opinion, Mr. Chairman.

The Canadian council of resource ministers represents a new co-operative approach between federal and provincial governments to the problems of resource development. The council was established on the basis of equal participation of federal and provincial governments with a rotating chairmanship—an excellent arrangement. This arrangement provides for the first time in Canadian history an intergovernmental forum within which resource policies can be studied and co-ordinated. I notice that the minister in his opening remarks mentioned that the resources for tomorrow conference had been a unifying influence, and anyone who has followed the course of the conference, and of the council appointed since, realizes that it has been a splendid unifying influence around the common objective.

Recently in Montreal the Hon. Rene Levesque, of the resources ministers council, said that effective co-operation in the development and the uses of our natural resources through federal-provincial co-operation could be the most effective guarantor of Canadian unity in a workable confederation of provinces. We agree wholeheartedly with this statement of the minister, and endorse it completely.

I want to emphasize this fact, and I have kept in fairly close touch with what has been going on with respect to the council, that the working of the council and the spirit and purpose of the council has set an example for other departments of federal and provincial governments to follow. It has been mutually advantageous. They are doing constructive work and approaching the common problem in the right spirit and with the correct purpose. I must say that in the formation of this council we have laid the requisite foundation upon which to build a sound forest conservation and development policy for the provinces and for Canada as a whole, based on the principle of co-operative federalism, and it should be given effect to because they have recognized the problems. They have agreed on the principles on which the council will work and on the need for action in this direction. In my opinion government forest policy must be directed toward the greatest benefits for the largest number of people. The federal government is responsible, together with the other governments, for the development of forest policy with respect to both the publicly owned and the privately owned sectors of the economy. Although the greater part of Canadian forest land is public property, all governments have responsibilities and authority related to public and private ownership. For instance, their responsibilities for providing benefits for the people as a whole may justify regulation of the practices of the private owners where their policies conflict with the public interests; on the other hand, the government's authority with respect to taxation, land use and education policies should be exercised to aid and stimulate the practices of private owners where those practices contribute to the general welfare. In the development of this forest policy we have, as a result of the exercise of the principle of co-operative federalism, an opportunity from the viewpoint of members of this group to demonstrate what can be done in building a sound democratic society on the basis of what we call a mixed economy, the public and the private sectors both working to the general advantage.

I think the report the minister has made to the committee clearly indicates the scope and value of the department. For years we urged the establishment of a Department of Forestry. There were a good many who thought it was satisfactory to have this organization remain merely a branch within another department. But anyone who reads the annual report of the department, anyone who has read the publications of the forests products branch, will realize that this department is most necessary at this time. If I may introduce a personal note, may I say that the present director of the forests products laboratory in Vancouver is well known to me. I knew him as a boy. He used to travel several miles to come to my little log cabin in the woods at week ends when he was let out of school because he thought I made the best hotcakes in the district. I am very pleased that this young man who grew up around the Arrow lakes should now be director of a forest products laboratory. I am referring to Dr. Joseph Gardner.

I wish, now, to make a few suggestions to the minister with respect to federal forestry policy. I think there is need for a continuing review of forestry policy. During the past 15 years, to the best of my knowledge, the forest industry in Canada has been studied by at least seven royal commissions in the provinces. In addition, studies have been made by private industry and by other organizations. There is a growing public interest in sound forest management policy. There is no question about that. In view of the fact that forest policy to date has been the result of a large number of inter-related policies—it has grown up over the years on the basis of piecemeal legislation—it is desirable, in my view, that the present policies be reviewed in order that all sections may be correlated to meet the current political and economic developments. It is now time for government to take a searching look at our legislative policies and practices to devise a co-ordinated policy that will meet present needs and trends. I think this would be most appropriate in view of the excellent co-operation the federal government is getting in connection with this question from the ministers council of the provinces.

My second suggestion concerns the need for the development of public understanding and appreciation of the role the forest industry plays in the development of our economy, the maintenance of our water resources, wild life population and the provision of recreational facilities. This is, of course, in addition to the major economic role which forestry plays in Canada. In making this suggestion I am not reflecting on the present information and public relations branch of the department one iota. I give them full credit for what they have done. However, while there has been an excellent service, a greatly improved service throughout the years, especially to those interested in forest management and operation, I still think there is a need for an extension of the public relations work so as to reach the public as a whole. I think there should be a much wider appreciation of the value of the industry to Canada, and I am suggesting that the information and public relations branch should

broaden its activities. I believe the minister should give consideration to the extension of these services so that it would be possible to inform and interest both the public generally and students in our universities, high schools and public schools.

I am a firm believer in the principle of the conservation of our natural resources. I believe this principle should be instilled in our young people, commencing at public school level. It is surprising how little appreciation there is among children in some of our city schools of the value of our natural resources, of our land, our wood and our water, in our daily lives. They live on asphalt. They live, many of them, in apartments. They live an unnatural life in many respects and I think we should do everything possible to inform them of the beauty and value of our lands and forests. We should do all we can to obtain the co-operation of the voluntary organizations in this respect. I hope, therefore, that the minister will extend the good work of the public relations branch and I believe a good deal could be done by seeking to interest young people in public schools, high schools and universities.

The minister clearly indicated—one would not expect him to mention figures or to speak too frankly in this connection—that he believes his department should have additional funds in order to fulfil completely the role it has to play in Canada.

**Mr. Douglas:** Is there any minister who does not?

**Mr. Herridge:** Yes, but I think this case is so different from that of the Department of National Defence. The minister was most modest in his implications. I am sure all members of the opposition will do their best to support the hon. gentleman in his plea that this important department should receive some additional funds. When one considers that the total amount involved here is some $17 million as against roughly $1.5 billion for defence, I think we have things a bit out of perspective in this country. Surely we can provide the funds necessary to pay our technical staff well, extend the information services and improve the position of the department generally.

I wish to turn to another facet of the policy of this group to deal, generally speaking, with policies with respect to the private sector of the economy. I wish to say a few words about a development in forestry under private ownership in Canada, and to take the opportunity in this connection to bring to the attention of the committee the good work which has been undertaken by the Canadian tree farmers association. In 1959, a group of individuals, some wealthy, some of modest means, and some poor, got together and incorporated with a federal charter, the Canadian tree farmers association. They had two things in common, they owned forest land on their farms and they wanted to improve their income from marketing conditions. I have the honour to be a director and vice president of this lively and vigorous young association, of which the hon. gentleman already knows something.

I remember when the minister, in his former capacity, presented a brief to the then cabinet on behalf of the forest industries, urging improvements in marketing facilities. I should judge the brief was presented to good effect and I trust that when others now present briefs to the minister they will get an equally favourable response to their representations. In its short life, this association has inspired original thinking about our private forest resource by emphasizing the potential productivity of these private forest lands and the important role that private forestry can play both in our wood using industry and in our agricultural economy. That was mentioned this evening by the hon. member for Qu'Appelle. There is a close relationship.

The purposes of this association are enumerated at length in its charter and they may be summarized briefly as follows: Stimulating co-operative action between producers, industry and government based on co-operative and individual initiative to obtain maximum productivity on private forest lands in perpetuity, on sound management principles, and to overcome obstacles to the marketing of wood from private lands, which exist primarily in some sections of eastern Canada.

This association's achievements in its four-year history are quite significant. From a modest beginning of less than 100 members in 1959 membership has increased by one-third each year, from year to year, and it now has members in all parts of Canada. Its Ontario members are now organizing as an affiliate of the Ontario federation of agriculture. I had the honour to be present and speak at the meeting in Carleton Place a week or two ago that dealt with this subject. It will work as a part of agriculture in the same way that private forestry on this scale is classified in most European countries.

What interested me at this and other meetings of farmers in Ontario which I have attended in recent months is the growing interest of young farmers, many of whom realize that they have a number of acres of marginal land on their farms which are better adapted to the production of timber

than agricultural crops, and there are others, of course, who wish to go in for planting and things of that sort. I was impressed by the interest of the younger people who want to find a way of farming the land their fathers owned more efficiently and to greater benefit.

Two years ago the association introduced its monthly publication, *The Tree Farmers' Guide*. This is a very interesting publication with news and ideas for the woodlot owner to help him to increase his income from this part of his farm. There are a lot of other people who are interested too. Persons who live in cities are finding this a very interesting sideline and hobby, and in many cases it is of some profit to them.

This association has been very successful in creating interest among the growing numbers of urban residents who own farms devoted to wood production. It is answering the search by these people for knowledge on how to manage their forest properties. There is a need for more, well informed forestry extension services and we ask the minister to give consideration to that.

In the Scandinavian countries private land forestry is an integral part of agriculture. These countries have been eminently successful in developing their forest based industries. Farmers co-operatives have played a very significant part in this success story. The farmers forest co-operatives in the Scandinavian countries particularly have entered the wood processing phase by owning and operating paper mills and saw mills of some size. The farmers in these countries conduct their own wood product exporting activities. This is from privately owned forest lands in the Scandinavian countries.

The Canadian tree farmers association has a strong base in Quebec where it originated and expanded, until now it has membership in all provinces. The government of Quebec, and we give them credit, have taken the initial steps to develop and encourage private land forestry related to agriculture. They have established marketing boards for farmers' pulpwood under their marketing legislation. This has provided the farmers of that province with a quota each year for the sale of pulpwood. I think the Saskatchewan government has established a timber marketing board of a similar nature, but to meet different circumstances. It has set the price for sale to the pulp and paper industry, and on an increasing scale so that the farmer receives a more equitable price for his wood. At the same time, the Quebec legislation provides a means by which the farmer's annual cuts may be limited to the growth of wood on his farm. The farmer must be prepared to accept this control in return for an improved market for his wood. I think this is a very good principle indeed. He is given security of market in return for sound management of his private land.

I also want to bring it to the attention of the house that the Quebec government is co-operating under ARDA through agreements to study the problems of private woodlot forestry in that province. Incidentally, under ARDA the federal government will pay half the cost of salaries of increased forestry extension services for farmers, and I hope they take advantage of that clause in the act. The Quebec model in marketing and co-operation under ARDA should be followed by other provinces which have a marginal land use problem. We have some in British Columbia as a result of clearing unsuitable land in the early days.

Let me say that the work of the Canadian tree farmers association has been described and praised in a number of national publications during the past year. I will give these references for the benefit of any who may be interested in this important rural development activity, and it is going to be more and more important in the years ahead. The *Rural Co-operator* of the 8th of January, 1963, contained a two page story about the association's policies and activities. The *Financial Post* of the 15th of June contained a full page story about tree farming, which was written by one of the association's officers. This article quoted extensively from a brief which the association presented to the Senate land use committee in November, 1962 entitled "The Case for Expansion of Private Forestry in Canada".

This brief was well received across Canada and received considerable praise from numerous members in the other place. I commend it to hon. members if they are interested in how to put 57 million acres of private forest land in Canada to work for the owners to the advantage of the Canadian people, to reduce unemployment and to improve the standard of living in those rural municipalities which at present have large areas of marginal land.

The *Family Herald* of the 1st of August, 1963 contains a thought provoking challenge to the private land owner and to every provincial government in Canada. This article was written by the secretary treasurer of the Canadian tree farmers association. In this article there was included an eight point program for greater income from the farm

woodlot. However, I will have to deal with that program at a later date because I see my time is rapidly passing.

I suggest to the minister that consideration should be given to assisting the Canadian tree farmers association in publishing their monthly paper or bulletin, as we might more properly call it, *The Tree Farmers' Guide,* and that this assistance might be given either through the Department of Forestry or the Department of Agriculture in similar fashion to that now given to the agricultural institute of Canada. I think the department assists some of their staff in the preparation of articles and lends them some of its staff for a few days when publication is about to take place.

I urge the minister to give consideration to that because this work is being undertaken on a voluntary basis by an increasing number of persons who are interested in developing this aspect of our forest resources in Canada. Finally, I want to say once again that the members of this group will welcome all the minister's undertakings for the development of sound forestry policies in Canada that will be to the advantage of this and coming generations of Canadians.

**Mr. Patterson:** Mr. Chairman, I just want to take a few minutes of the time of the committee this evening to make some observations with respect to the estimates now before the committee. We have listened tonight to a number of speakers who have delved into the problems of the forest industry to a considerable extent. Possibly some of them spoke from personal experience in the forest and lumber industries and I am sure that we appreciate the observations to which we have listened.

First of all, I should like to join with other hon. members in congratulating the minister on taking over this portfolio. I think it is most appropriate that a member from British Columbia should be chosen to fill this very important post. His experience in the past will no doubt be of tremendous value as he applies his energies and interest to this comparatively new department, and I am sure we all wish him well in carrying out this responsibility.

I am sure we all have an understanding and appreciation of the importance of the forest industry in our national life. Those of us who come from provinces where it is of vital concern provincially also take a wider view because we know it has a tremendous bearing upon the economic welfare of our entire nation. I was very interested to receive a copy of a booklet entitled "The Pulpwood Harvest" published by the Canadian pulp and paper association. In the first section there are a number of very interesting factors which are brought to our attention. I believe the facts are very pertinent and I should like to refer to three or four very brief paragraphs. The first section calls attention to the fact that Canada is after all a forest country with more than half of its land wooded and suited only to the growth of trees. It goes on to state:

> Directly and indirectly, the forests generate a major portion of the income of her people, and their influence in shaping the economic, social, and cultural progress of the nation has been immeasurable.

The third paragraph is as follows:

> The story of forest problems and forest operations best begins with the story of the forests themselves. They comprise a belt, generally from 600 to 1,000 miles wide, which extends from the Atlantic, curves north on the prairies, and dips south to cover most of British Columbia. This is the vast and bountiful reservoir from which pulp and paper and the other forest industries draw their raw material.

Further along it says:

> During the years since then, the forests have remained a great bastion of Canadian commerce. From them, today emanates more than one quarter of the production of Canada's primary industries. Shipments of forest products comprise more than a quarter of the nation's exports, and of this amount pulp and paper accounts for about 70 per cent.

The final paragraph says:

> The forest, thus, is a resource which pours out bounty to all Canadians at the rate of more than a quarter of a million dollars every hour, day and night. It is a resource in which everyone has a stake, and which every Canadian should seek to use wisely.

These brief quotations from this book once again emphasize the importance of this industry to our economy.

Forestry plays a tremendously important part in the provincial economy of British Columbia. I have with me a copy of the budget speech dated February 8, 1963, presented by the Hon. W. A. C. Bennett, premier of British Columbia and minister of finance, and on page 13, dealing with provincial wealth, it points out with respect to natural resources that the present value of inventory so far as forestry is concerned is $3 billion. Revenue from lands and forests in 1962 amounted to $34,840,374, and it is estimated that it will amount to $38 million in 1964. Therefore we in British Columbia are especially interested in this particular phase of our economy and, as I have stated, I think it is suitable and proper that an hon. member from British Columbia was chosen to head the Department of Forestry.

When he introduced his estimates I listened for some references by the minister to the recent conference which was held, and I hope that before the estimates pass he will

give us some insight into what happened at that conference. It may be that all the details cannot be passed along to us, but we would welcome a summary and a reference to the attitude of those who participated in it and what they anticipated so far as the combined efforts of federal and provincial authorities are concerned.

The minister stated that his department would facilitate the exchange of ideas. Like every other industry I suppose each area has its own problems which must be faced and solved, in so far as they relate to each specific area, but there must be some areas in which the problems are identical and the exchange of ideas in various fields would be of value to the various provincial administrations. We think of the conservation problem, and in this same book to which I have referred, dealing with forest problems it states:

> The task facing Canada is to manage the forestry so as to provide harvests in perpetuity, and at the same time to increase their productivity.

The hon. member for Kootenay West has referred to the need for conservation. We have heard him speak on this subject many times, and reference has been made to the problems of protection of the forests from insects, disease and so on. Here again it seems to me an exchange of ideas would be very beneficial.

The main thought tonight has been devoted to the field of research connected with wood products. The federal Department of Forestry could be a clearing house for information in this respect, providing an exchange of ideas that would be of mutual benefit to all concerned.

The minister referred to the problem he faces in building an adequate research team. For some years past the various provincial governments have developed research agencies of their own. Universities and private industries have co-operated in research, and I think all the information which they produce should be fed into the federal department where it will be available to all interested in these affairs.

The department is relatively new and perhaps that is one reason the minister is having difficulty in recruiting the necessary personnel. It may be that young people must be made aware of the opportunities for careers with the department in this important, and I imagine, fascinating activity. But naturally it will take some time for them to become aware of this and for them to prepare themselves to take their place in such a research department. There is an increasing awareness that there must be a scientific approach to management and marketing in regard to forestry and forest products.

I indicated I was just going to take a few minutes, and in conclusion let me once again wish the minister and the officials of his department every success in their endeavours to increase the usefulness of the department within the bounds of its constitutional possibilities.

[*Translation*]

**Mr. Gauthier:** Mr. Chairman, I examined with interest the estimates of the Department of Forestry.

As we are newcomers in this committee, we realize that this department is not very large, as indicated by its budget, which is a little over $1,000,000 per province. However, at first glance, one can easily recognize the impressive work done by such a small department.

First of all, I must congratulate the minister and all his officials for having carried out this enormous task.

I note that this department was created only a few years ago, but it is fitting to say in this case that one does not have to be advanced in years to show one's mettle.

It is a matter of course that forestry matters come under provincial jurisdiction, but I hesitate to appeal to the federal government when it comes to provincial matters. Indeed, I always fear for provincial autonomy, because too frequently in the past the federal government has intruded gradually in some fields coming under provincial jurisdiction until it has almost taken them over.

On the other hand, we have to admit that the creation of such a department was essential, in order to give the provinces necessary leadership for the future in view of Canada's development. The local, and even the domestic market, are no longer sufficient. It is necessary to look to the international markets; this is why the federal government must step in and co-operate with the provinces so that we may be able to compete against other countries on those markets.

When the minister states that we have exported over $2 billion worth of forest products, this shows the efficiency of this essential federal-provincial agreement.

If there were not, under present conditions, an ever-increasing understanding between the provinces and the central government, the present flow of our forest products into foreign markets, would sink to the national or even local level. That is to say that our group unreservedly supports any effort the department is now making in the forestry field.

By multiplying those meetings we shall, as I mentioned earlier today, ultimately become known on the world market as merchants in tune with modern times. I shall mention here the work which should draw

the department's particular attention, that is the reseeding of suitable woodland.

And here, I want to say a few words about my district—my constituency—because we are partly a farming area, but mostly a forest district. When we look at this expanse of land —where, 20 or 30 years ago, there were only forests, a hundred miles around, and where today there is only desert and waste land—we may wonder why it should be so. The answer is simple enough. People and governments without foresight failed to look after the reseeding of our forests. Whether the woods were razed by lumberjacks or by fire—and more particularly in the latter case—I would like the government to intervene and transform those wide plains again into forests which tomorrow will give food and work to our people.

Mr. Chairman, we are 30 years behind the times in the field of forestry. If, thirty years ago, we had taken the steps we are taking today, instead of having waste lands now where there used to be fine forests, we would have timber available and that product would play a role in our economy, that of supplying our paper mills. That goes to show that the seeding of land which now seems unproductive is of major importance for the forest industry.

Previous speakers have pointed out that something has been done through ARDA. That is a first step towards the recovery of our land because if ARDA is useful to agriculture, I think it should be used more extensively in the case of forests.

I should not want to imply that the federal government should impose its views on the provinces in the field of forestry. Far from it, but I feel that there should be closer co-operation and that seminars should be held, courses given and interprovincial conferences called more often to give a more efficient orientation to the seeding operations under ARDA. Since, as the hon. member for Kootenay West (Mr. Herridge) stated a while ago, costs are divided equally between the federal government and the provinces, I feel that the latter should take advantage of the offer made by Ottawa.

A few minutes ago, it was stated that the province of Quebec has a fine plan for the restoration and improvement of our forests which is already being put into practice. I must agree that the province has an excellent plan to that effect.

But when you visit the province of Quebec, you will notice that we will lag behind for a long time. This is the reason why, as I said earlier, the federal government should pursue its educational campaign, I do not mean its imperative action, but its educational action and this in order to accelerate this promotional work in the forestry field in every province, especially in the province of Quebec.

I am convinced that with proper co-operation the province of Quebec will know how to use one of its most important resources without leaving those large expanses of treeless lands to grow wild.

We are now supposed to log 30 year old stands, but to find thick stands, we have to go hundreds of miles north, because we have neglected reforestation.

I would like to point out another aspect of the question, that is, the squandering of our forest resources. Thirty years ago—I am going back 30 years, because I am a little bit younger than the hon. member for Kootenay West—I myself cut down trees in the forest while attending high school. It was my holiday exercise; and every year I spent two months in the forest cutting down trees. It is an excellent exercise; I would advise our young university students to try it for themselves, having improved their minds, they will soon find out that such an exercise strengthens muscles and steadies nerves.

However, I must point out that there is a drawback. If you work in the forest during the summer, beware of mosquitoes of all kinds; close your eyes, protect your hands and your face, otherwise, after a little while you will be bleeding from numerous bites.

As I was saying, 30 years ago I worked in the forest, and during my holiday period I became an apprentice lumberjack. I saw woodsmen, as they were then called, bring down the forest tree by tree; however, they were very careful to spare young shoots, and our foremen never tired warning us not to damage them. When we had cleared the way in given areas of the forest, the young saplings were untouched, ready to grow and to allow a new cutting in ten, 11, 12 or 13 years at the most.

When I look at the cutting methods of today, and compare them to the methods of 30 years ago, I feel that in days gone by, people did not cut a forest, they harvested it. If you went into the woods today, you would soon see for yourselves what I mean. I went back myself last summer, and I must confess that I was confronted with a terrifying sight. Modern machinery has played havoc. First of all, where you had 300 or 400 workers, you only have 75 today, because machines do everything, sweep away everything. For one spruce tree cut down, 25 are destroyed.

Government officials do not seem to be aware of that slaughter, either because they do not go themselves in the field to see the

damage, or because the ministers or the deputy ministers do not go into the forest often enough to see for themselves this terrible havoc.

Nowadays, as far as pulpwood is concerned, they have got to a point where they cut that wood in 8 foot lengths to make what is normally called the end tod. Can you figure all the waste. To get some wood, they waste two thirds of the forest in order to get one third.

I draw this fact to the attention of the house because I know the minister is not aware of it. You smile, but that is because you are city dwellers. But we are now talking about forestry, a field about which you know nothing, you city people.

I am sure the minister will have constructive suggestions to make in that field because it is a national misdeed, from a forestry point of view.

If you go through a forest where the trees were cut down, you see there is nothing left because the spruce are cut down and then hauled out of the woods, pulling out all the young growth, so there is nothing left.

If something was done about it, if only a new seeding was done, but no, everything is left as it is, with the result that what is growing up now is only second, third and even fourth class wood, while really productive wood is choked under and finally dies among all that mess.

We might have a forest in seven, eight or ten years, but it will be a third class forest.

That is why I wanted to bring those conditions to the minister's attention and to denounce this misdeed. It has been denounced to the provincial government, but what is happening today?

Timber limits have been granted to all sorts of strangers to our economy. Foreign companies came here to get the raw product and went away with the best in our economy. That was all they were interested in.

Mr. Chairman, we have recently read in the press that the Catholic farmers' union in Quebec which means the Quebec farmers, was launching a campaign for the rehabilitation of our forests. There is a reason for this, because those people are responsible people. They want to reconquer our forest in order to put it back in operation, and take it away from those who were destroying and abandoning it.

As I say a forest is a crop. If nobody cares to make it reproduce itself, it will create wasteland, and that is what has been happening for the last 30 years, because forest operations have been made too easy in our district.

Indeed, Mr. Chairman, all kinds of rights were granted. People went into the woods without bothering about anything. Money was easy to earn and the crop easy to harvest. Workers left everything behind them, even their land, to go into the lumber industry. Today, we find our farming industry cut down by 50 per cent, while the forest has been destroyed forever in a proportion of 75 per cent. That is why we have to start again practically from scratch as regards forestry, as we have to start from 60 per cent in the agricultural field. Those are the benefits of industrialization in our area.

Mr. Chairman, I am not blaming only the large or small industries, but almost everybody and everything, and more particularly the lack of education. Indeed, what is most important is to educate each operator and each worker who would work at that crop.

In the past, the operations destroyed everything, with the blessing of the various governments, and today, the few dollars that were saved have been paid in taxes. As for the operators, they went back across the border with all our profits and our money.

Therefore, it is through education that we shall succeed in taking the first step which will enable us, first, to save our forests and then, indirectly, to assist our agriculture.

That is why we must have a joint federal-provincial forest policy, to help the provinces in all their forest research, as well as in the protection and development of our forests which, with agriculture, remain one of our two greatest natural resources.

Mr. Chairman, I do not wish to go on any further, but I wanted to make those two points in the presence of the minister.

I am sure that the Minister of Forestry will take due note of my remarks, because they are based on the limited experience I acquired both in forestry and in farming. The minister can be assured that I expressed my views most sincerely in order that my suggestions may benefit not only my area, but also my province and the whole country.

[*Text*]

**Mr. Granger:** Mr. Chairman, first of all I should like to congratulate the minister on the occasion of his first presentation of the estimates of his department. I welcome the opportunity to join briefly in this debate, because forestry is one of the great industries of the province from which I come and of the district I have the honour to represent. Grand Falls, in the southern part of my riding, has some great pulp and paper mills which have led to a high degree of industrialization in central Newfoundland. They have been directly responsible for the employment of many people and the production of products which

bring us many millions of dollars. Further north, in Labrador, there is one of the great forests not only of eastern Canada but of North America, perhaps one of the greatest forests in the world.

This summer the Minister of Forestry visited Newfoundland. I was fortunate to be able to be with him in Grand Falls, Gander and the Goose Bay area. After watching him and the officials with him, both from his department and from the provincial department of resources, I came to the conclusion that we had a minister who knew the woods and the trees and could see both, and that the officials who were with him from Ottawa and St. John's were men of high ability and deep dedication. It was my pleasure to accompany the minister as we flew up the valleys of the Goose river and Hamilton river, where he saw for himself, as I have said, perhaps one of the greatest stands of timber in the world. I know of his interest in the woods industry and in timber, and that he and his officials will do their best in this new department, which is so important to Canada's greatest industry.

I listened with much pleasure and interest to the speakers who followed the minister, as they covered the industry on a national scale. I feel that all members of this committee are deeply interested in this great industry and that the good will of all go to the Minister of Forestry as he endeavours to promote, both at home and abroad, an industry which means so much to so many thousands of Canadians.

I would ask, speaking now provincially and perhaps locally, that he bear in mind the particular problems in the district I represent. One of the great problems we face in Newfoundland is the development of Labrador timber, where a short shipping season heretofore has discouraged the development of these huge forests. However, perhaps the introduction of these huge new barges which we produce on the west coast, and the lengthening of the shipping season through the judicious use of icebreakers in Hamilton inlet, may together bring forward this development which is bound to take place. If the new Minister of Forestry and his officials can hasten this development they will have done a great service not only to the province of Newfoundland and to Labrador, but to all Canadians, who would benefit from the trade which would result.

There are very good reasons other than the general economic ones why such a development in Labrador is desirable. I think it may be said that most of the population of the Goose Bay area depend upon the defence installations there for their livelihood. Although there is no indication at present that these bases are to close, or anything like that, it is wise to look ahead and consider possible alternative employment should the need arise. The proximity to Goose Bay of these huge forest reserves must make all of us realize the desirability of preparing for development there. This may become desirable for the sake of economic growth generally and, in particular, for the sake of the people who live in this area. The province, also, would benefit because there is no doubt the development of the timber industry in this area would lead to a significant increase in the production of pulp and paper in Newfoundland.

With these few remarks I will cease, once again wishing the minister and those who work with him well, as they seek to serve Canada by improving its greatest industry.

**Mr. Kennedy:** I should like to hail the minister as a former maritimer. As one who grew up among the trees in Nova Scotia, I know that once having been a maritimer he will always be a maritimer at heart. I have a series of questions to direct to the hon. gentleman concerning the application of sales tax on machinery used for production, and on lumber. I hope my questions will not embarrass the minister. I have no doubt he has heard something about the subject from the lumber industry, as have most of us. This tax will, in time, increase the cost of production and I am wondering what effect it is likely to have, in the minister's view, on competition with other building products. What effect will it have on our exports of lumber? Will it cause some diversion of demand from wood products to other building materials? Also, what effect is the tax likely to have on the small operator whose administrative ability to handle this new tax is limited? I should be glad if at any time while the estimates are before the committee the minister would be good enough to answer these questions and make some comments on this subject.

**Mr. Nicholson:** Perhaps before replying to the other hon. members who have spoken in the debate I could answer the particular questions put by the hon. member for Colchester-Hants. The simple answer to his question is that the other competitive building materials are paying the same tax, so the reimposition of this 11 per cent sales tax has left the forest products at no disadvantage from a competitive point of view.

**Mr. Kennedy:** I realize that, but the other building materials were taxed before. This is new to the lumber industry.

**Mr. Nicholson:** The 11 per cent applies to all building materials. It had been removed

from certain building materials and is now reimposed; so, in this sense, competition still exists. But I think there is something which the hon. member should keep in mind. When there is a need to get more money to help balance the budget or at least, to move in that direction, the first thing to do is, of course, to look at the possibility of increasing taxation. But I am sure the hon. member would agree that it would be difficult to increase taxation in areas where profits are likely to be made out of the new municipal loan fund, out of the extension of the Central Mortgage and Housing Corporation benefits and so on, without removing the exemption. If there is any industry which is going to make a profit out of the new funds which are being put into circulation, it is the manufacture of building materials. If the industry is to get that profit then, surely, it is reasonable that the tax handicap under which the other industries operate should be shared. They are all paying this 11 per cent. It is not reasonable that one would reimpose this 11 per cent tax before seeking any general increase in taxation levels.

I may say that, having been associated with the forest industry, it is not surprising that I received a large number of telegrams and letters on this subject from firms in all parts of Canada, but primarily in British Columbia. I thought the best way to answer them was to go west and sit around a table with those who were complaining. I agree that one particular group, the manufacturers of prefabricated houses, did have a justifiable complaint, because in that case there seemed to be some duplication of taxation. I endeavoured to correct that situation, and it was corrected.

I would also ask the hon. member to bear in mind that 70 per cent of our forest products are exported. In relation to this percentage of our products which are sent abroad, the exporters enjoy the benefit of the devalued dollar. It seems to me that if there is any segment of the Canadian economy which cannot complain about the reimposition of the 11 per cent tax it is the manufacturers of forest products. I have told them so and I say, in all fairness that they seem to agree, at least so far as the west is concerned. Of course, the 70 per cent of the forest products which is exported includes pulp and paper products but also includes large exports of lumber, from British Columbia. A number of the people there finally, did acknowledge that they were not as badly off as they had thought they were and that it made more sense to reimpose this tax than it would have done to impose higher taxation generally. I do not wish to enter upon a detailed discussion of the budget or any aspects of the budget during the discussion of these estimates, but I have tried to answer hon. members' questions as frankly as I can. I do not think there is anything further I can usefully add to what I have said.

**Mr. Cardiff:** I rise only to ask the minister a question to which he, or one of the officials of his department may have an answer. Disease has got into our soft elms in our part of the country. I do not know whether it has spread throughout other parts of Canada or not. It affects a large number of our elm trees, not only those growing in the swamps but those growing along the roadside and in the fields. However, these last named are not affected to the same extent as the trees in the swamps. It seems to be a worm working under the bark. I do not know whether anything can be done to control it or whether any attempt has been made to find a cure, but it seems that eventually this disease will ruin all the soft elms. This has been going on for the last few years and it is getting worse instead of better.

**Mr. Nicholson:** I take it the problem to which the hon. member is referring is what is known as Dutch elm disease. This is a fungus which gets under the bark of the tree. We have had this problem in Canada for nearly 20 years. It came from the United States, beginning in Wisconsin and working its way east.

Shade trees are not normally a problem for the federal Department of Forestry. They are usually planted by municipalities and therefore are the responsibility of the provinces. However, the federal government research staff has done a great deal of work on this problem. It is one of the particular responsibilities assigned to our forest research laboratory in Quebec. Unfortunately we have not yet discovered a cure for this disease. However—and I gave the house this information some weeks ago in answer to a question —the hon. member will be glad to hear that we feel we may have developed a species of elm which is resistant to the disease. Of course, only time will tell, but we are encouraged by the results which have come out of our research laboratory in Quebec.

**Mr. Fleming (Okanagan-Revelstoke):** I should like, first of all, to express my congratulations to the minister on his appointment, and to wish him at least a reasonably smooth passage in piloting his estimates through the committee on this first occasion.

As those of us who were members of the mines, forests and waters committee in 1959 will recall, the minister, as president of the British Columbia forests industries council, took an active part in preparing and making the presentation on behalf of the industry in British Columbia. Out of the statement

made to that committee came the recommendation which led to the creation of the Department of Forestry. At that time we had the active co-operation of the hon. member for Qu'Appelle who was then minister of northern affairs and national resources, and we were encouraged in that committee, as I am sure the minister will recall, by the then minister to delve into every aspect of the forest industry in Canada in order that the committee might see if it could not bring back to the house recommendations that would be of value to the future growth and prosperity of Canada's greatest industry. It is encouraging that the government has selected as Minister of Forestry, one of its number who took an active part in making the presentation on behalf of the British Columbia industry at that time. However, I think it is only fair that I should couple my congratulations with a warning to the minister.

He made a speech in Williams Lake very recently in which he referred to the widespread enthusiastic and non-partisan support for the establishment of the Department of Forestry. I know he was not in the House of Commons at that time but I know that outside the house his support was enthusiastic.

However, if he will go back to *Hansard* for that period in 1960 when the department was created and consult the speeches of the member who is now Minister of Justice, and the speeches of the member who is now Prime Minister, he will find there something less than enthusiasm for the Department of Forestry. They did not oppose it; but then, again, they did not altogether support it. As a matter of fact, he will find that the present Minister of Justice said in one of his opening statements that he was neither opposing nor supporting it, but the one thing about which they were very firm was that there should not be a separate minister. Therefore it is somewhat reassuring to those of us who disagreed that we find the hon. gentleman in the position he now holds. I can only suggest that in his associations with his cabinet colleagues he should retain a certain vigilance for self-preservation, because they opposed the appointment of a separate minister of forestry.

The minister has just made a very interesting defence of the 11 per cent sales tax on building materials. The defence did not extend, because the question was not asked, to the inclusion of production machinery, which was also covered by the imposition of the tax. If the minister will cast his mind back to the submissions of the forest industry in 1959, particularly the submission from the British Columbia industry, he will recall that a section of that submission contained an appeal for tax relief, for tax incentives for the industry.

[Mr. Fleming (Okanagan-Revelstoke).]

The former administration responded to that appeal by exempting two thirds of the logging tax in the provinces of British Columbia and Ontario. There was a rebate given on the logging tax in two of the provinces. The 11 per cent sales tax on building materials did not exist; the exemption on production machinery existed and certain extensions for the logging industry were introduced in 1959, particularly with regard to fuel oil for the production of power and diesel oil used by the logging trucks.

When the industry came to Ottawa it was not looking for an equalization of taxation. They did not want an 11 per cent tax tacked on which would be balanced out by the 7½ per cent discount on the Canadian dollar in the export market, or the advantage they had because of the discount. As I recall the submissions of the British Columbia forest industry at that time, they were not looking simply for the retention of the status quo. They did not want something given with one hand and taken away with the other. They said that the industry, in order to develop and expand its export markets must have an advantage and must not be left in the same position as it was before as the result of two government actions.

Therefore I do not believe that the minister's argument stands up. You cannot add on an 11 per cent tax and then say that is compensated for by the discount on the dollar because there is a 3 per cent advantage. I recall that the British Columbia forest industry was not interested at that time in a 3 per cent advantage. They felt they needed more in order to improve their competitive position in the export markets which are so vital to them.

With regard to production machinery, the minister is undoubtedly aware of the plans for the development of the interior of British Columbia and the projected pulp mill developments at Prince George and Kamloops. The 11 per cent sales tax on production machinery has added to the capital cost of these developments. It means that the people who are investing their money in this type of development are going to have to find more money. They will have to pass on their additional capitalization costs in the cost of their product, and they claim to be in a tough competitive world and to need every advantage they can get.

I know that the minister is not responsible for this action, but I do think that what it highlights is that it is absolutely essential that the Minister of Forestry must consult, as I am sure the present minister will, with the Minister of Finance very closely to consider the effect of taxation policy on our greatest

industry. I do not think that sufficient consideration has been given to this aspect. I read the release from the minister's department on the recent conference with the provincial ministers of forestry. In the minister's own statement tonight and in that release a very substantial emphasis was placed on the value of research in all fields, product research, entomological research, forest biological research and so on. Nobody is going to deny the essential importance of all this work. No one in the house would challenge for a moment the importance of this work. But in any such conference I think there should also be consideration of taxation policies at all levels of government as they relate to the forest industry. This is fundamental. I have no doubt that informal discussions have taken place, perhaps between the federal government and a single province in an informal manner over the years.

I recall that taxation policy did enter into the discussions of the mines, forests and waters committee in 1959. This is an important area. I do not think any government should impose taxes in the form in which they were imposed by the budget in June because they are bound to have a direct effect on the one industry in Canada which in all its various phases employs more Canadians than any other single industry.

It is essential that taxation policy must take into account the special requirements of an industry which not only is so essential to us in our domestic development, for example, in the field of construction, but is so important to us in the export field. Even now there does not appear to be sufficient awareness of this necessity.

There is one other field to which I feel sure the minister will be devoting a great deal of attention. I imagine that the department has already considered the matter in some detail and depth. The minister mentioned in one of the departmental releases the question of forest fire protection. In one of his speeches he also mentioned one officer who is apparently doing a gargantuan task in British Columbia, because he is one man trying to cover the whole province. I wonder how much thinking has gone on with regard to the establishment of a national force to supplement provincial forces in times of grave emergency.

Despite the fact that the ten year average of acreage burned in forest fires is approximately 2,700,000, we know from the publication of the dominion fire commissioner that in 1961 there were 9,300,000 acres burned, an increase of almost 400 per cent in that year. We are all very conscious of the dreadful problems that confronted the province of Newfoundland and also the problems of British Columbia in this regard two years or more ago. On such occasions the federal government, if requested, normally send in units of the army but these units of the army are not specially trained for this purpose. As the minister well knows, firefighting is not only a hazardous occupation but it is one in which the firefighter, if he is to be effective, must have skilled direction. He must have had training and the opportunity to have learned how to survive while fighting forest fires. Dead firefighters are not effective. The dangers are very great. The inexperienced can do little good. We know that at the time of the Newfoundland fire the forest officers in national parks had to be diverted from their work and sent to Newfoundland to provide their skilled services.

If it is not economically feasible at this time to develop a separate force, then I hope that within the armed services we can have units of the army trained in fighting fires, so that a corps of trained men can be available, ready to be sent to fight fires and play a more effective role, with their safety better guaranteed, and less risk of endangering lives needlessly.

I have been somewhat critical of the government's policy, but I hope the minister realizes this is not in any personal sense. I do feel that some decisions which have been taken, particularly in the field of taxation with respect to the forest industry, deserve reconsideration. I say this because if the problems that the industry advanced to a committee of this house in 1959 were as real and as urgent then as the industry claimed, I cannot believe all these problems suddenly disappeared in the course of four years. In fact it seems to me there is a necessity for a continued program of special tax legislation geared to meet the requirements of the forest industry.

Item agreed to.

10. Grant to Canadian forestry association, $25,000.

**Mr. Hamilton:** There is one question I would like to ask the minister on the basis of the item we have before us. If one looks at these tables carefully he will find that in almost all these votes a number of personnel have received certain salary adjustments. Was this because of classification or because of salary increases?

**Mr. Nicholson:** Salary increases. They were not substantial.

Item agreed to.

**The Deputy Chairman:** This completes the estimates of the Department of Forestry.

**Mr. Nicholson:** I had contemplated making some remarks in reply to constructive suggestions put forward by members in all parts of the house. I wish to say thanks to all the speakers. I appreciate their suggestions greatly, as well as their good wishes and congratulations.

I should have said earlier that the federal-provincial forestry conference which took place on October 21 and 22, to which reference was made by two or three speakers tonight, was in my humble opinion, and in the opinion of the 10 provincial ministers who attended, a highly successful affair.

It was the first one of its kind, and to answer a question put by the hon. member for Qu'Appelle, they suggested that meetings be held at least once a year. ARDA, among other matters, was discussed at some length, and has general support, particularly in the provinces of New Brunswick, Quebec and Ontario.

There was also general agreement that on the whole the federal-provincial forestry agreements which have been in effect for the past 12 years have been successful. The ministers did plead for greater flexibility because of the different topographic and geographic conditions that exist in the east, and which differ from those in the west. More planes may be needed in a province like British Columbia, and more access roads in Ontario and Quebec, where the terrain is entirely different. There was unanimity on the general merits of these agreements.

There was also unanimity on the submission that there should be greater research, and there was assurance of full co-operation among all 10 provinces. One could not have asked for a better atmosphere or for more co-operation. Of course there were a few disagreements, and that is why the meeting was held in camera. It was closed to the press. Some hon. members have commented that they did not see any publicity about it. A press release was issued on the second night of the conference, and there was a press conference; but as hon. members will recall, we had some competition that day. It was the day the S.I.U. visited parliament hill, and they, rather than the 11 ministers of forestry drew most of the members of the press.

**Mr. Hamilton:** Was there any discussion at this conference about the relative merits of putting federal money into the provincial agreements, as opposed to expanding the research services?

**Mr. Nicholson:** No, they wanted more money for both, but I was not in a position to commit myself. I told them their views would be taken into consideration and placed before my colleagues in the government.

[The Deputy Chairman.]

One other matter to which perhaps I should have referred earlier was raised by the hon. member for Kootenay West, among others. He stressed the necessity of interesting the youth of Canada—of educating them in the importance of the forest industry. This is of the utmost importance. I cannot commend too highly the junior forest warden movements in certain provinces, particularly Ontario and British Columbia where they have had great success. There has also been work of a similar nature by 4-H clubs in Quebec, Manitoba and Saskatchewan, and I commend this work very highly.

**Mr. Pigeon:** Two years ago the provinces signed an agreement to build roads to forests, and I would like to know if the provinces, particularly Quebec, expressed their views about renewing this agreement?

**Mr. Nicholson:** I can only refer to the press conference and the statement that was made on the subject. It was stated by the 10 ministers, including the minister from Quebec, that the federal-provincial agreements had on the whole been successful. The Quebec minister agreed that these agreements, which cover not only access roads but forest inventory and reforestation, had been more or less satisfactory. He said that the province of Quebec was willing to consider renewal of the agreement on the same general basis as the other provinces, but he said there had been certain reservations made by the premier of Quebec with regard to federal-provincial agreements generally, and these would have to be the subject of further discussion with the federal government.

**Mr. Pigeon:** I asked the question because Mr. Arsenault, the former minister of forestry, was opposed to these joint progams.

**The Deputy Chairman:** Order. The committee of supply will now proceed to the estimates of the Department of Public Works.

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $10,695,000.

**The Deputy Chairman:** Shall vote No. 1 carry?

[*Translation*]

**Mr. Ricard:** Mr. Chairman, as I rise to speak on the estimates of the Department of Public Works, I wish first of all to congratulate the minister (Mr. Deschatelets) for the honour his leader has conferred upon him, by asking him to take the lead of one of the key departments.

However, I am saddened by the thought that the Prime Minister had some misgivings about the qualifications of the nominee, and about the time he might be ready and willing

to spend on matters coming under his jurisdiction. It is also a pity that the Prime Minister has seen fit to remove from the scope of that jurisdiction the administration of Central Mortgage and Housing Corporation. I would have liked us to remain faithful to tradition on that point. Things being what they are, I can only extend my heartfelt sympathy to the minister, who probably also feels some regret at seeing his powers and responsibilities thus whittled away.

Mr. Chairman, I thank the minister for the courtesy with which he has always listened to my suggestions about changes to be brought to inscriptions and signs on parliament hill, inside parliament itself and within various federal buildings. When I suggested replacing signs in one language only by signs written both in English and in French, the minister followed in the footsteps of his predecessors, who never failed to comply with my requests.

Actually, Mr. Chairman, it is not without a certain pride that I remind the house that when I came to Ottawa in 1957, as a member for the St. Hyacinthe-Bagot riding, most notices on doors and elsewhere on parliament hill, were written in one language only, that is to say in English.

At that time, I tried hard to make some recommendations which resulted in those bilingual notices that can now be seen almost everywhere, instead of unilingual ones.

Mr. Chairman, I wanted to mention the fact incidentally, because I think it is better to keep in the background while working and then succeed, than to make a lot of noise, as has been heard for the past couple of years, with only indifferent results.

Mr. Chairman, I also want to take this opportunity to pay tribute to the officials who assist the minister in his work. They are most understanding and have always given me a maximum of co-operation when I approached them with requests. Indeed, I know from my own experience that when reasonable requests are made to the Minister of Public Works or his officials, they are always quite ready to help and have only one object, that is to give the best possible service to the people.

And how could it be otherwise, when we consider that, since I have come to the house I succeeded in convincing the officials of that department that certain projects should be carried out in my riding, at a cost of $1,200,000? Mr. Chairman, I point out those facts without boasting and without excessive humility, whether it pleases my good friend from Joliette-L'Assomption-Montcalm (Mr. Pigeon) or not.

I think that without the co-operation of the present minister's predecessors and of the officials, I certainly would not have achieved such results.

In his introductory remarks on his estimates, the minister made a brief review of the situation he found in his department when he took over. He indicated that the estimates were prepared by his predecessor and he did not see the need for a detailed analysis of them. But we would have liked him to take a little more time and give us the reasons for the statement he made on October 18 last, as can be seen on page 3760 of *Hansard* where the minister stated:

> However, we have slightly changed those estimates and to enable the house to get a better understanding of the various projects and amounts you are called upon to approve, I intend to give you some essential explanations and I will do it alternatively in French and in English.

Mr. Chairman, may I point out that I have read this statement of the minister several times, and it may be that I cannot read between the lines, but I find no justification the minister might have given for the cancelling some items or affecting additional amounts to other projects. In fact, the minister told us he had cancelled some $2.5 million, while he asked us to pass additional projects for some $6.3 million.

We would have liked the minister to tell us—and we were entitled to know—which projects he thought it was his duty to cancel and what additional projects he added, as well as the reasons justifying those cancellations or additions to the budgetary estimates for the current year.

I find it a little difficult to understand why the officials, after thinking out the plans of the previous administration, were not somewhat aggrieved at the decision of the minister to make such large cuts in the estimates they had prepared for the year 1962-63. Those officials are known for their broadmindedness and their impartiality as well as for their desire to serve the people, and surely until the time the present minister took over the department, those officials did their best in the preparation of their work.

Unless the minister gives us the reasons why he decided to make the changes, we are entitled to wonder on certain obscure points.

Mr. Chairman, as it is the first time that I address myself to the Minister of Public Works since he assumed his post, I shall avail myself of the opportunity to utter a few requests in order to improve the postal services in my constituency. Those requests will also tend to reduce unemployment which prevails in my constituency, for, as you know, Mr. Chairman, my constituency is not different from the others.

Among all the provinces in this country, the province of Quebec unfortunately holds the sad record of having the greatest number of unemployed.

I trust that the minister, who, also, comes from the province of Quebec and wishes sincerely the good of its inhabitants, will not hesitate to give me his help and his co-operation in order that, together we may secure employment for the heads of families who surely need work to meet their responsibilities.

In order to reduce unemployment in my constituency, I suggest to the Minister of Public Works to build post offices in the villages of St. Denis sur Richelieu and St. Rosalie, in Bagot county, St. Damase, in St. Hyacinthe county, and in Upton, in Bagot county. Those four places are big enough and important enough, it seems to me, to have their own post offices. In so doing, the minister would certainly enhance the pride of the citizens of those municipalities. In any village or rural community, people are always proud to say: we are important enough to have our federal building. That is why I am asking for the minister's support in this field.

I have another suggestion to make to the minister. It has to do with giving a slightly more bilingual appearance to the uniforms worn by messengers and persons who run elevators one comes across in the parliament buildings. As a matter of fact, I sent a letter to the minister to this effect.

At the present time, if you look at those uniforms, you only see three letters, "D.P.W.", which stand for "Department of Public Works".

I should like to see the practice which is applied to the uniforms worn by the parliament buildings' constables also adopted in the case of those employees of the Department of Public Works, that is to say, place on one side or on one shoulder, for instance, the letters D.P.W. and, on the other one, the letters M.T.P. to identify employees of the Department of Public Works. That is a suggestion I offer to the minister, and since we know he also wants to do his share in the field of bilingualism, he will surely not miss an opportunity to follow that suggestion.

And now, Mr. Chairman, I must, much to my regret but it is imperative, come to another matter which will probably not please so much the Minister of Public Works. It is about patronage that I want to talk to the minister for a few moments.

**Mr. Caron:** That is a fine matter.

**Mr. Ricard:** According to the information in my possession, it has been decided lately to increase from $5,000 to $15,000 the amount of contracts awarded on invitation only. I would be happy to learn from the minister whether this information is true and if it is, could he tell me who supplies the list of tenderers for such work.

Moreover, I wonder if the minister could tell us who is responsible for supplying the names of persons who could become inspectors on the building site of sustaining walls. And before going further, may I remind the minister that I sent him two letters recommending some persons who could act as inspectors on these building sites.

The people I recommended are qualified and they have a vast experience in that field, having already held the position of inspectors for several years, in addition to their experience they have earned a reputation for impartiality. Unfortunately, and to my great surprise, I have learned that people other than those I recommended were chosen to supervise the construction of the retaining walls in St. Denis sur Richelieu and St. Charles sur Richelieu.

**Mr. Drouin:** May I ask the hon. member a question?

**Mr. Ricard:** Certainly, but when I have completed my remarks which will only take me a few minutes more.

I should like very much to know why the people I recommended were not hired and from whom did the Minister of Public Works get the names of the people concerned.

Maybe he could also tell me what is the part played by my opponent in the last general election, Mr. Jean Leduc of Ste. Pie. According to the information I have, the property purchased by the Department of Public Works as a possible site for the penitentiary that was to be built in Ste. Pie, was the scene of a dramatic sale of hay last summer. I am informed that Mr. Leduc was the person authorized to conduct the sale of hay. Since this individual was defeated in the last general election, it is very strange that he should carry out a duty which, in my opinion, should belong to the representative elected by the people. I should like to know very much who gave him this authority and who recommended him as such.

Could it be that there is a list of consultants as there is in the Post Office Department where I saw the name of Mr. Leduc?

Actually, I would not be surprised if his name should appear on another list, and it is for this reason that I would like the Minister of Public Works to confirm or deny my statements.

**Mr. Pigeon:** It is likely the same list.

**Mr. Ricard:** Mr. Chairman, the minister is aware that a penitentiary was to be erected

in my riding, more specifically in the parish of St. Pie de Bagot. I can only mention the matter this evening, since I will have an opportunity later on to discuss it when we examine the various estimates of the department.

As I have not as yet succeeded in securing a satisfactory reply from the Department of Justice, I would appreciate it if the Minister of Public Works, who is undoubtedly aware of the situation, since it is his department which acquired the land, would supply me with certain information.

For instance, what use will be made of that land which was purchased at the price of $83,000? What are the reasons which motivated the transfer of the proposed penitentiary to another riding?

I feel that the question concerns the minister since the construction of penitentiaries comes under his department.

In view of the fact that I have been unable to get a satisfactory reply from the Minister of Justice (Mr. Chevrier), I hope the Minister of Public Works will be more co-operative than his colleague and provide me with all the information I am entitled to since it would be interesting to know why, after last April 8, it was suddenly decided to give up the proposed construction of a penitentiary at St. Pie de Bagot.

Mr. Chairman, I have here some documents which prove without question and according to the plans of the Departments of Justice and Public Works, since there is a double jurisdiction in the matter, that the work should normally be under way. Why has it not started? I was unable to find out up to now, and I ask the minister to tell me.

With further reference to the selection of inspectors and to their duties, I would like the minister to tell me also whether the inspector who represents the federal government on the building site of a retaining wall must remain on the spot or whether he may stay away and, in that case, for how long during the day. I am asking the minister whether an inspector may leave his job and meet at the same time the requirements of the Department of Public Works.

If I seek that information, it is in the interest of the Department of Public Works and of the general public. In fact, I would say that in order to do his work properly, a supervisor should be on the site all day long and not only part of the time.

The answers to those few questions will put me straight and enable me, at the same time, to relay information to those who ask me for it, because I make it a point to keep the minister aware of the way the work is proceeding with regard to the erection of the retaining walls. Those are all questions that people are asking themselves.

I would not want to offend the minister but I must tell him that patronage is being practiced on a large scale and that probably he would not put up with it if he really wanted to stop it. However, I feel duty bound to tell him. A lot of patronage is going on now with regard to the work at St. Charles and at St. Denis sur Richelieu. I would not want to stir up memories, but—

**Mr. Drouin:** I understand why—

**Mr. Deschatelets:** May I ask a question of my hon. friend?

He just mentioned the work under way concerning the sustaining walls. The hon. member asserted that some sort of patronage was taking place. I would like to have more details in order to be able to reply adequately. I do not suppose my hon. friend would make such assertions without knowing certain facts. I ask him then to give me a few facts.

**Mr. Ricard:** Mr. Chairman, I would have preferred not to mention that. I merely wanted to warn the minister in private. But since he raises the question, I have no alternative but to justify my allegations.

I will refer to letters which I wrote to him under date of June 24, concerning the appointment of inspectors. I recommended three persons for St. Denis and St. Charles, but none of them was hired. Those who were hired as inspectors had been recommended by Liberal organizers in both the above-mentioned villages. This is one example, Mr. Chairman. If you want more I could state others because, in my opinion, one can achieve the same purpose without bringing up the past.

**Mr. Boulanger:** Mr. Chairman, before starting my remarks I should like to congratulate the Minister of Public Works on his appointment to this department.

Mr. Chairman, may I call it 10.30?

[*Text*]

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** In the absence of the leader of the house I think I can get a short answer tonight. My question is simply this. Will the business for Monday and Tuesday stand as already announced?

**Mr. MacNaught:** Yes, Mr. Speaker.

It being thirty minutes after ten o'clock the house adjourned, without question put.

*Supply—Items Passed*

The following items were passed in committee of supply this day:

FORESTRY

1. Departmental administration including $24,000 for grants in aid of forestry research, $1,060,700.

5. Contributions to the provinces, pursuant to agreements entered into with the approval of the Governor in Council, in respect of forest inventories, reforestation, forest fire protection, forest access road construction and stand improvement, $7,910,000.

10. Grant to Canadian forestry association, $25,000.

11a. Contribution to the province of New Brunswick for assistance in a program designed to combat the spruce budworm infestation, in accordance with an agreement between Canada and the province, $170,000.

Forest research branch—

15. Operation and maintenance, $1,979,200.

20. Construction or acquisition of buildings, works, land and equipment, $234,000.

Forest entomology and pathology branch—

25. Operation and maintenance, $3,433,200.

30. Construction or acquisition of buildings, works, land and equipment, $813,300.

30a. Construction or acquisition of buildings, works, land and equipment, $941,200.

Forest products research branch—

35. Operation and maintenance, $1,147,400.

40. Construction or acquisition of buildings, works, land and equipment, $80,400.

# HOUSE OF COMMONS

**Monday, November 4, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. PIGEON—CONTRADICTORY STATEMENTS RESPECTING CHARGE AGAINST HAL BANKS

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I want to raise a point of privilege.

Mr. Martineau, a Montreal lawyer who has been appointed by the Canadian government to study the Norris report contradicted the Minister of Justice, who, with regard to Mr. Hal Banks, and in answer to a question asked by the hon. member for Ontario (Mr. Starr), made the following statement on October 31, 1963, which may be seen on page 4215 of *Hansard:*

[*Text*]

A charge has been laid against Hal Banks in Montreal.

[*Translation*]

Mr. Martineau, as reported by all newspapers, including the Montreal *Star,* stated that no charge had yet been laid against the chairman of the S.I.U., whereas, last Thursday the Minister of Justice maintained that charges had been brought against him.

To my mind, the statement of the Minister of Justice was ill-considered and irresponsible.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, as you know, the complaint of the hon. member for Joliette-L'Assomption-Montcalm was not a point of privilege because it does not affect the rights of hon. members. The hon. member tried to point out a contradiction between a statement made by a Montreal lawyer and the one I made last Thursday in the house.

Now, as I said last Thursday in the house, charges have been brought against the people concerned.

**Mr. Pigeon:** Mr. Speaker, I am not satisfied with the answer given by the Minister of Justice.

[*Text*]

## BUSINESS OF THE HOUSE

STATEMENT AS TO GOVERNMENT PLANS FOR REMAINDER OF SESSION

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, it has been suggested that it would be helpful to the members of the house if I made a statement at this time on government plans for business during the remainder of this session, which it is hoped will come to an end before Christmas.

It is impossible, of course, to be definitive about business during the next two months, or indeed about the priority which should be attached to business, because things may develop during that time which will require a change in the order we have in mind now, and which indeed may require additional or new legislation to be brought in. But subject to that qualification I should like to make a statement in as great detail as possible about what the government has in mind in the matter of business for the remainder of the session.

The most urgent business is to complete the consideration of estimates. It would not be possible, in our view, to end the session without all essential work being completed. I know that in some respects it is housekeeping work, but it is housekeeping for which this house is responsible to the taxpayers of the country. In addition, the discussion of estimates also provides opportunities for statements of departmental policy. For example, it is our intention that in introducing the estimates of the Department of Agriculture the minister will announce improvements in policy which this government proposes to undertake for the benefit of farmers.

If I may now turn to legislation, the first priority is to complete the bill amending the Income Tax Act. Equally urgent is the bill concerning the surcharge on imports order. We also intend to proceed soon with the very important resolution on the amendment of the Technical and Vocational Training Assistance Act; and we hope, and I am sure all hon. members hope, that there will not be much delay in getting subsequent legislation on this matter through all its stages.

The next major measures which we hope to bring forward during this session will be, first, that dealing with the redistribution of constituencies in order that the people of Canada should in the sixties have a properly representative House of Commons based on the population distribution according to the last census. It is urgent that this legislation be completed at this session. Then we would propose to press on next with the amendment of the National Housing Act. This may be as far as we can realistically expect to go, before the recess, with our major legislative proposals; but if the house moves faster than perhaps we have any right to expect at the

moment we will be ready to proceed with major railway legislation arising out of the MacPherson royal commission.

The house is aware, however, that in addition to these items in the government's program there is a considerable amount of legislation which, while urgent and important, is, I hope, largely of a non-controversial nature. Indeed, some items are matters held over from the unfinished business of the last parliament. It is important, for example, to complete very soon the legislation dealing with the Northwest Territories and the proposed Nunassiaq territory. The C.N.R. financing and guarantee bill is urgent. So is the amendment of the Currency, Mint and Exchange Fund Act, the Emergency Gold Mining Assistance Act, the Canada Elections Act, and the acts dealing with the world exhibition corporation and the national centennial. Then there is the amendment to the St. Lawrence Seaway Authority Act and the Overseas Telecommunications Act, and of the Railway Act in respect of the grade crossing fund.

Other measures which should be completed, if it can be done quickly—and, Mr. Speaker, some of these measures are now before the Senate—are those dealing with the harbour commission, the Carriage by Air Act, the Bankruptcy Act, the Ontario harbours agreement, amendments to the National Harbours Board Act, the Admiralty Act and the Aeronautics Act. We further hope to bring forward legislation dealing with the continuation of small business loans; with the establishment—and this is an urgent matter—of an Indian claims commission, with statutory salaries, with the amendment of the Citizenship Act and with the Blue Water bridge authority for the bridge between Sarnia and Port Huron. The government also wishes to introduce legislation to implement some of the recommendations of the Glassco report. So no one need be in any doubt that there will be plenty of work before the house.

I have indicated as definitely as it is realistic to do at present, the general order in which the government intends to proceed. There remain, however, five topics to which reference was made in the speech from the throne at the beginning of the session but which I have not mentioned in this list of priorities. I should like to review very briefly the status of each of these. First is the Columbia river situation. As is well known, this has been the subject of lengthy negotiation with the province of British Columbia and then with the United States government. These negotiations are very well advanced now, but they do not appear at the moment to be at such a stage that we will be ready to bring the matter before the house this side of Christmas, though this situation may change.

Three of the remaining proposals are certainly ones which will take a great deal of parliamentary time, and there is no realistic chance now of completing them in this session. I suggest that the way to handle them is to leave these items over for next session. They are matters concerning the Department of Agriculture, the establishment of a Canadian development corporation, and the recasting of unemployment insurance in the light of the state of the fund and the recommendations of the Gill committee.

I wish to refer finally to the subject of pensions. The most urgent part of the proposal, having to do with the $10 increase in existing pensions, has now been implemented by parliament. Our contributory pension plan deals with matters for which Canada and the provinces share jurisdiction, and we are proceeding in co-operation with the provinces. There has already been discussion at two conferences. Technical consultations with Ontario and Quebec are now taking place and a federal-provincial conference is being held later this month beginning on the 25th and going through, I think, to the end of that week.

Regarding that conference, I may say I have been in consultation with the premiers of the provinces in connection with the agenda and other arrangements. I wrote to all the premiers over the week end with proposals based on the suggestions they have made and about which we have been exchanging views for some time. The letters will all have been received by tomorrow, and I will at that time table them in the house.

In the circumstances I believe it would be inappropriate to proceed with further legislation on pensions until after the conference, and in view of the limited time remaining to us this clearly means that the legislation cannot be completed by the end of the year. This is complex legislation which ought to be, and will be, thoroughly examined and fully debated. As any discussion before Christmas would be bound to be inconclusive, we will proceed with the pension legislation early next year in the next session.

I wish to make it clear that we are following this course because of the proper requirement of federal-provincial consultation. There is no slackening in the determination of this government that Canada should have a national contributory portable pension plan which is needed for the security and welfare of Canadians. That is going to be done and will be done as quickly as can be.

These are the proposals that I now make to the house. I do not expect they can be

referred to in detail at this particular moment by the leaders of the other parties, though they may wish to make comments on them, but I would suggest that they be used as a basis of discussion with the house leaders of the other parties in case they may have some views to bring forward in connection with them. Meanwhile I put them to the house for discussion.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, the house will appreciate the full report given by the Prime Minister respecting the balance of the session. Let me say at once that in so far as the estimates are concerned, I think there will be general agreement that they should be proceeded with in the manner indicated by him. Last February we found ourselves in the position of being defeated before the estimates could be dealt with, and naturally these estimates, covering in the main as they do matters which we had ready and explanations that we intended to make, will receive that same degree of co-operation in securing their passage through parliament that has been evidenced in the case of the estimates of several departments which have already been before the house.

The Prime Minister has said that there is plenty of business. In looking over the order paper I can only conclude that there is not very much business of immediate importance, except two or three matters to which he alluded. I was particularly interested in hearing about the Columbia river project. We were told that arrangements had been made with regard to this matter. All was in a happy state. Agreement had been arrived at with British Columbia. Indeed, with the new era of Canadian-American relations this was one matter that would be ready for this session. However, the best laid plans of mice and men "gang aft a-gley". We now find that the Columbia river project is in a state of suspended animation.

Then there is the Canada development corporation. This was something that represented a great step forward for Canada and its economy. We have not heard much of it lately. It is still on the order paper. It had priority earlier, but it now becomes of secondary importance awaiting the new year.

Then there is the Canada pension plan. It has had its ups and its downs. When the Prime Minister says that the government believes in a national portable contributory pension plan well and securely laid, there is no disagreement over here. The trouble with the plan that was placed before the house and is today on the order paper is that it was not workable and there was no consultation. Indeed, the government have put the cart before the horse. They went ahead with the plan and they were going to shove it through come what may. The provinces demanded consultation, as did the opposition. But now, after this wonderful plan had been conceived and produced in part, we have to wait until the new year because there have been no consultations.

There is one thing that seems clear. The ill digested and ill considered plan that was brought before the house is now as dead as a dodo, and in its place a plan is going to be evolved, following consultation, which will be well and securely founded. That is the kind of legislation for which we asked, and we are glad that the government at last has seen the error of its ways in this regard and is going to produce this kind of legislation instead of the monstrosity that was laid before the house earlier this year.

In so far as the other matters mentioned by the Prime Minister are concerned, the technical and vocational training, the income tax legislation and the surcharge legislation, those are matters of importance. They have been considered already at some length. Certainly there should be no great delay in the passage of two of them through parliament. In so far as the surcharge legislation is concerned, we shall deal with that matter when it is before the house.

I could make reference to many other items mentioned by the Prime Minister. I simply say it is always helpful to have a plan; it is always beneficial to have an objective. The Prime Minister has given us both, and that has been done throughout the years. As so often happens, other things find their way into the agenda and these plans, however desirous all of us are for the conclusion of this session before Christmas, may not be brought to a conclusion in relation to each and every one of the matters to which he referred. I was glad to see the redistribution measure on the list because it is one that will require co-operation from all parts of the house. Since we gave the lead in this regard, it will be taken out of the realm of partisan politics. In the setting up of the Indian claims committee, the government will be carrying out a project which we had ready.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, this session began, as all sessions do, with a speech from the throne. The purpose of that speech was to let parliament know what the program of business was for the ensuing session. We have not made much progress on the speech from the throne that was read to us in the other place so, in effect, today we have had another speech from the throne given to us by the Prime Minister. I hope we get along better with this revised bill of fare than we did with the one with which we started this session. In

fact we welcome the statement of the Prime Minister. I am glad he has taken the house into his confidence by letting us know what the government's plans are so far as the business for the balance of this session is concerned.

We too welcome the fact that redistribution is high on the list so that this important matter, important to the people of Canada, might be dealt with before this session concludes. I was a little concerned, and some of my colleagues were, by the Prime Minister's use of the word "recess". Perhaps he might explain later whether he plans a Christmas recess or prorogation at that time. Perhaps it was a slip of the tongue, but at any rate he may clear that up.

We are dismayed that even at this late stage of the session, the 82nd sitting day, the government is still unprepared to go ahead with two of the major planks in its election platform, the Canada pension plan and the Canada development corporation.

We all remember that in the last election campaign the Prime Minister's cry was that the Liberals had a pension plan that was ready, and that the Liberals could act quickly on this matter. At least one thing is clear as a result of this statement. The Prime Minister can no longer say, as he has said a half dozen times in this session, that the Canada pension plan is being delayed because he cannot get the co-operation of members on this side of the house. It is now clear that it is a deliberate decision of the government to delay action on this important legislation.

This is not the time to debate the Canada pension plan even to the extent the Leader of the Opposition debated it a moment ago. But I wish to say I do not agree with the comments he made about it and I think it is unfortunate for the Canadian people that this plan—some improvements could be made in it but it is basically a good one—has been delayed to next year, especially in the light of the promise which was made that it would be dealt with at this session. I hope this will not be like some of the promises in 1919 which were put off from one election to another.

With regard to the business ahead of us we in this party, Mr. Speaker, will try to co-operate in getting it through.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, we welcome this statement by the Prime Minister, and simply say that this formidable outline of legislation that we have to look forward to will be welcomed not only by the house but by every Canadian citizen. There is certainly a tremendous backlog of work that needs to be completed, and first of all I say it is most important that we get Canada's parliament in tune with the fiscal year under which the government operates. For the past couple of years this has been thrown completely out of kilter due to elections and it is essential that we have a budget next winter, soon after the new session opens, so that it will be introduced before the end of the fiscal year. In this regard it is essential that the estimates be brought in as quickly as possible.

The second important thing which ought to be impressed on us this afternoon, after having listened to the proposed program, is that we in this house should get down to work.

**Mr. Smallwood:** Why don't you do it?

**Mr. Thompson:** It is not only the government which has a responsibility in this regard. It is also the business of the hon. members who sit on this side of the house.

**Some hon. Members:** Oh, oh.

**Mr. Thompson:** Mr. Speaker, if you would please ask these people who sit behind the Leader of the Opposition to be quiet, perhaps we could talk a little bit of sense.

**Mr. Winkler:** You are talking from the wrong side of the house.

**Mr. Thompson:** In the Canada pension bill we have a piece of legislation which affects the future welfare of every Canadian citizen, but I think the government has learned through bitter experience during the past few months that this kind of legislation cannot be drawn up in a back room, and that it must be carefully brought before the public scrutiny prior to its enactment. The federal-provincial conference which will take place in a few weeks is a good thing, but it is also very important that the broadest possible consultation be had in order that we get the type of pension act that the country needs and which every Canadian expects from the government at this time. It is important that consultation and discussion be held in every part of our social and economic structure so that we do get the right kind of legislation.

Nothing much was said about the municipal loan and development fund, but we hope the problems connected with it will be solved at the forthcoming federal-provincial conference. This reminds us that the most urgent economic problem facing us today is that which confronts our local and municipal governments financially; and in addition to plans already announced I hope other plans are being made at this stage for a full municipal development bank, so that our social capital needs might be met more effectively than they have been in the past, which needs the municipal development and loan fund hardly begins to meet. I might add here just a

remark about the Canada development corporation because, while it is important, it is more urgent that we do something to meet the needs of our local governments in so far as their capital requirements are concerned.

The technical and vocational training program is to come before us during the next few weeks, and I agree with the Prime Minister that this is something so urgent that we should pass the legislation as quickly as possible.

It is of interest that three royal commission reports have been mentioned, reports that have been gathering dust for quite a long time now and upon which no action has been taken. Specifically they are the MacPherson report, the Glassco report and the Gill report, and we would also welcome hearing something about the O'Leary report as well. Royal commissions have more value than just to have their findings shelved away in some dust-gathering corner.

Then there is the Columbia river program. We had hoped this might be brought before the house this session. It is one of the greatest development programs Canada has tackled in recent years, and it is urgent that the federal parliament meet its share of the obligations as quickly as possible.

Last but not least is the problem of redistribution, but again this is something that has been put aside for many months. We look forward to legislation being introduced to set up the necessary commission and thus permit a more equitable election process before we come to the next general election. We are very pleased and happy that we have this program before us, and I am sure it gives us new hope and courage to go forward and meet our responsibilities.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, we have heard with great interest the new plan introduced by the Prime Minister in respect to procedure from now until the end of this session.

Of course, we in this corner of the house, like everybody, are anxious to get to Christmas at the same time as the others. Indeed if this new parliamentary procedure enables us to accelerate the work which is our responsibility, the quicker we will do it.

Now, if slowness has been the characteristic of this parliament to date, I do not believe it is so much because of the opposition as because of the government party, which got somewhat mixed up with its "operation 60 days", promised at the April general election.

The Prime Minister said a little while ago that the government's object is to save the money of the Canadian taxpayers. This is a commendable end, but the government should come to a decision and introduce its legislation in the most definite and complete way so that it would be acceptable to the opposition.

For example, the Prime Minister just mentioned the Income Tax Act which has to be amended. We all know that, contrary to what the "operation 60 days" was supposed to bring in, that is tax reduction, the government brought in instead an increase in tax. This is not the same thing.

If the promises of the "operation 60 days" had been lived up to, I do not think that we would be facing as many difficulties at this time.

The same remark can be made with regard to the legislation concerning imports. As for the redistribution of constituencies, based on the population of each province according to the last census, that is a commendable undertaking, but that question should be referred to a committee which could later report to the house.

The National Housing Act was also mentioned. Of course, there are still thousands of Canadians who do not own their own homes and that measure should be pressed on in order to make that possible for the small wage earners. We were told that legislation dealing with the Northwest Territories, as well as the bill concerning the world fair, would be studied.

We will also have to consider legislation concerning the Columbia river. I know it is through no fault of the present government that this question is not settled; the Conservatives should have solved the problem when they were in power the first year that the matter was brought up in parliament. In view of the fact that they did not accept their responsibilities and that they are trying to pass on the blame to this government, that proves, in my opinion, that the two old parties are exactly identical.

Another thing that the Prime Minister should have acted upon immediately instead of just including it in the famous 60 days of decision, is the appointment of a minister of agriculture for eastern Canada as the Liberals promised.

I feel this question should not give rise to a debate, because it is up to the government, to the Prime Minister, to appoint a minister of agriculture for eastern Canada. The Prime Minister already has a name on his list. Are people from western Canada or from the maritime provinces opposing the appointment of a minister of agriculture for eastern Canada to help the farmers in our part of the country? The Prime Minister is aware of the fact that when hon. members speak of agriculture, they talk first and last about wheat.

There are other things than wheat in Canada. I will admit that wheat is an important production, but the farmers who grow other crops should also be represented in the cabinet.

Mr. Speaker, those are supplementary matters which, to my mind, should be solved before the holidays. In any case, our group is ready to co-operate with the government in order to adopt as quickly as possible the required legislation. On the other hand, the government should submit to the house something definite and concise to promote the development, the growth if you will, of the whole Canadian economy.

[*Text*]

## ARTS, LETTERS AND SCIENCES

### FILMS—TABLING OF AGREEMENT BETWEEN FRANCE AND CANADA

[*Translation*]

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I ask for leave to table three copies in French and English of the agreement on relations between France and Canada concerning films.

[*Text*]

## BRITISH NORTH AMERICA ACT

### AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

**Mr. Stanley Knowles (Winnipeg North Centre)** moved for leave to introduce Bill No. C-103, to amend the British North America Act, 1867 to 1960, with respect to the quorum of the House of Commons.

**Some hon. Members:** Explain.

**Mr. Knowles:** Mr. Speaker, this bill is based on the generally accepted notion, expressed the other day by the Secretary of State (Mr. Pickersgill), that the first duty of members of the House of Commons is to be here. The bill would increase the quorum of the House of Commons from the present ridiculously low figure of 20 members to a more reasonable figure of 50 members.

**Mr. Churchill:** We threw this out 10 years ago.

Motion agreed to and bill read the first time.

## QUESTIONS

[*Translation*]

**Mr. Yvon Dupuis (Parliamentary Secretary to Secretary of State):** Mr. Speaker, I wish to advise the house that the following questions are being answered today: 1,172, 1,213, 1,314, 1,333, 1,339, 1,347, 1,348, 1,360, 1,367, 1,381, 1,391, 1,412, 1,414, 1,417, 1,439, 1,448, 1,451, 1,454, 1,455, 1,456, 1,469, 1,471, 1,477, 1,490, 1,491, 1,494, 1,497, 1,509, 1,513, 1,534, 1,535, 1,537, 1,539, 1,542, 1,543, 1,548, 1,555, 1,556 and 1,581.

[Mr. Caouette.]

[*Text*]

Mr. Speaker, if question 1,094 could be made an order for return the return will be tabled immediately. If Your Honour would be good enough to call starred questions Nos. 1,443, 1,446, 1,499 and 1,515 I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

### INDUSTRIAL DEVELOPMENT BANK LOANS OVER $100,000

*Question No. 1,172*—**Mr. Douglas:**

1. Has the industrial development bank granted any loans of $100,000 or over since January 1, 1958 and, if so, (*a*) to whom and in what amounts (*b*) in each case, who recommended the grant of the loans?

2. Since January 1, 1958, has any person not a member of the executive committee of the industrial development bank, or not a member of the board of directors of the industrial development bank, or not an official of the Bank of Canada, of the industrial development bank, of the Department of Finance or of the Department of Trade and Commerce, given any advice with regard to whether or not a loan should be granted and, if so, what are the names, addresses and occupations of all such persons, and what advice did they give with respect to each loan?

3. Has any consideration been given to changing the relationship that exists at present between the industrial development bank and the Bank of Canada and associating the industrial development bank more closely with the Department of Trade and Commerce and, if so, what are the details of such consideration?

**Mr. Benson:** 1. The number of new loans made by the industrial development bank in each of its five fiscal years ending September 30, 1958 to 1962, classified according to the size of the loan, is shown on pages 16 and 17 of the bank's annual report for the fiscal year 1962. The size classification shows separately loans over $100,000 to $200,000, and loans over $200,000. In these five fiscal years as a whole the number of loans made over $100,000 was 532, and the total number of loans made was 5,360. In the fiscal year 1962 the numbers were 162 and 2,085 respectively.

It is contrary to public policy to reveal information regarding individual loans.

2. Yes. The bank secures information concerning potential loans and receives representations on them from a variety of sources, including the interested parties, but it is not considered desirable, in the public interest, to reveal from whom such information or representations are secured or received, or what the content of them is. In any event, records are not maintained that would enable the question to be answered.

3. Any important change in relationship such as that outlined would be a matter of government policy and would of course be announced as such.

CANADIAN-JAPANESE TRADE

*Question No. 1,213*—**Mr. Scott:**

1. At the recent Japanese-Canadian trade conference in Ottawa, were representations made by Japan in opposition to the Canadian system of "voluntary" quotas on Japanese imports into Canada?

2. What was the nature of such representations, and what goods and commodities and products were involved?

3. What was the total value of exports from Japan to Canada in the first quarter of 1963, and how does this compare with the same period in 1962?

4. Briefly, what goods, products and commodities make up Japanese exports to Canada, and which of these are under quota?

5. What was the total value of exports from Canada to Japan during the first quarter of 1963, and how does this compare with the similar period in 1962?

6. Does the government have knowledge of other countries imposing similar quotas on Japanese exports and, if so, what are the names of the countries?

7. Does Canada have a trade surplus with Japan and, if so, what was the amount of the surplus in the years 1957, 1958, 1959, 1960, 1961 and 1962?

8. What was the nature of the government's response to the representations referred to in subsection 1 of this question?

**Mr. Benson:** 1. The Canadian-Japanese ministerial committee is not a negotiating body at which formal representations are made. The committee is intended to provide an opportunity for a free exchange of views between the ministers of the two countries on matters of common interest.

During the recent meeting in Ottawa, Japanese ministers explained some of the problems inherent in applying the Japanese system of restraints on exports of certain products to Canada; and they asked that the restraints for individual products should be discontinued as they become unnecessary. Canadian ministers explained the difficulties which had been caused in Canada by sharp and disruptive increases in imports from Japan and certain other countries in recent years. They agreed with Japanese ministers that restraints might well be removed when they had become clearly redundant. Canadian ministers also asked that Japan take all possible steps to remove quantitative and other restrictions being applied by Japan on imports of a number of important products which Canadian exporters might be able to sell to Japan.

2. See answer to (1). The discussion related generally to the products on which Japan maintains export restraints.

3. After increasing steadily since the signing of the 1954 trade agreement between Canada and Japan, Canada's imports from Japan have declined somewhat this year. In the first quarter of 1963 they totalled $23.5 million, compared with $26.6 million in the same quarter of 1962.

*Questions*

4. Canada's total imports from Japan in 1962 were valued at $125,358,920. Principal imports were:

| | Value ($000) |
|---|---|
| Fresh oranges and mandarins | 1,884 |
| Fresh fish | 1,050 |
| Canned tuna fish | 1,932 |
| Manufactures of cotton | 1,263 |
| Worsted and woollen fabric | 2,055 |
| Fabric of synthetic fibres | 3,376 |
| Nets and netting for commercial fishing | 1,429 |
| Cotton fabric | 7,657 |
| Wearing apparel | 14,169 |
| Lumber of mahogany | 1,851 |
| Plywood | 5,516 |
| Oil country goods of steel | 2,825 |
| Bars, rods, plates, sheets, pipes and wire of iron or steel | 7,739 |
| Tables knives, forks and spoons | 1,230 |
| Domestic sewing machines | 1,816 |
| Tape recorders and parts | 1,136 |
| Transistor radios | 5,150 |
| Earthenware floor and wall tiles | 1,286 |
| Tableware of china and other earthenware | 2,389 |
| Mechanical and other toys | 3,617 |
| Re-usable import packing | 1,829 |
| Waterproof rubber footwear | 1,656 |
| Canvas footwear | 1,416 |
| Other plastic and rubber footwear | 1,031 |
| Jewellery | 1,245 |
| Cameras and parts; and other photographic accessories | 3,355 |
| Optical instruments, including microscopes and parts | 1,587 |

A detailed list of exports to Canada subject to restraint by Japan during 1963 is contained in an appendix to *Hansard* of Friday, June 7, 1963. At the recent meeting here, Japanese ministers stated that the products on which export restraints are applied represented 27 per cent of the total value of Japan's exports to Canada in 1962.

5. First quarter 1963—$64.4 million. First quarter 1962—$49.1 million.

6. Japan applies restraints on exports to several countries including the United States, the United Kingdom and certain continental European nations. Several European countries apply quantitative restrictions, some of them discriminatory, on imports from Japan.

7. Canada has a trade surplus with Japan. The amount of this surplus was as follows on the basis of trade statistics published by the dominion bureau of statistics:

*Questions*

| | ($ Million) |
|---|---|
| 1957 | 77.7 |
| 1958 | 34.8 |
| 1959 | 37.0 |
| 1960 | 67.6 |
| 1961 | 115.0 |
| 1962 | 89.2 |

8. See answer to (1).

USE OF GRAIN ELEVATOR, BAIE COMEAU, QUE.

*Question No. 1,314*—**Mr. Smith:**

Have all necessary steps been taken to ensure that the maximum facilities of the Cargill Grain Company elevator at Baie Comeau will be available for the shipment of Canadian grain to Russia and other European countries and, if so, what were such steps, and on what date were they taken?

**Answer:** The Cargill Grain Company elevator at Baie Comeau has a licensed capacity of 12,898,000 bushels. They are licensed to use 40 per cent or approximately the capacity for five million bushels to store foreign grain. The remaining capacity of over seven million bushels is available for the handling of Canadian grain.

To date this has proved ample capacity to discharge the Cargill Grain Company's commitments as agents of the Canadian wheat board in the movement of grain under the Canada-U.S.S.R. trade agreement.

NATIONAL FILM BOARD OFFICE, NEW GLASGOW, N.S.

*Question No. 1,333*—**Mr. MacEwan:**

Is it the intention of the government to close the national film board office at New Glasgow, Nova Scotia and, if so, when will this action be carried out?

**Mr. Pickersgill:** I am advised by the national film board that it is not the intention of the board to close its office at New Glasgow, Nova Scotia.

LANGUAGE PROGRAMS ON C.B.C.

*Question No. 1,339*—**Mr. Howard:**

1. Is there a program on the English language section of the C.B.C. which consists of lessons in the French language and, if so, what is the cost of operating such a program, and if there is not such a program, what is the reason therefor?

2. Is there a program on the French language section of the C.B.C. which consists of lessons in English and, if so, what is the cost of operating such a program, and if there is not such a program, what is the reason therefor?

**Mr. Pickersgill:** I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes, both radio and television services carry programs which seek to instruct English speaking Canadians in the French language.

National English television network: "Chez Hélène", for pre-school age children, a quarter hour program five days a week, now in its fifth season. "Speaking French", for adults, a weekly half hour program at Sunday mid-day returns for its fourth year January 1964.

National English radio network: "Time for French", for adults, a weekly half hour program returns Saturday, November 2.

Atlantic region school broadcasts (radio): "Parlons Français", a weekly program of conversational French for students grades 5-9, to four Atlantic provinces.

Newfoundland school broadcasts (radio): "French for Beginners", weekly "Junior French", weekly.

Nova Scotia school broadcasts (T.V.): "Cours Élémentaire", for beginners, twice weekly. "Cours Première", for more advanced students, twice weekly.

Prairie region school broadcasts (radio): "French for Beginners" and "Le Quart D'Heure Français"—a total of 13 weekly programs for Manitoba schools. "Ici Le Francais"—weekly to Saskatchewan schools.

Edmonton (T.V.): "En France comme si vous y étiez", weekly series on CBXT.

B.C. school broadcasts (radio): "First French", elementary French, weekly. "Ecoutez", intermediate French, weekly commencing January 6, 1964.

Vancouver (T.V.): "En France Comme Si Vous Y Étiez", weekly series on CBUT.

2. Yes. The C.B.C. radio network carries a weekly series of school broadcasts of lessons in the English language prepared in collaboration with the Quebec department of youth and the Quebec department of education. It is designed for grade 5 and 6 public school students.

1. and 2. It is difficult to give a specific answer as to costs since, in the case of the school broadcasts, these are shared with the various provincial departments of education. The latter provide the performers, writers, etc., and the C.B.C. provides the production staff, facilities and the distribution to the C.B.C. and affiliated stations.

RECOMMENDATION OF COMMISSION ON INDIAN AFFAIRS

*Question No. 1,347*—**Mr. Howard:**

What action has been taken with respect to the recommendations of the commission of inquiry, appointed on June 25, 1959, to inquire generally into all matters arising out of unfulfilled provisions of treaties 8 and 11 as they applied to Indians of the Mackenzie district?

**Mr. Munro:** The recommendations of the committee of inquiry were studied by an interdepartmental committee and the report of this committee is being reviewed.

CANADIAN CHINESE DETAINED IN HONG KONG

*Question No. 1,348*—**Mr. Howard:**

How many, if any, Canadian citizens of Chinese origin are being kept in Hong Kong and not

allowed to return to Canada because their passports and other similar documents were taken from them during the course of, or arising out of, the investigation into Chinese immigration matters which was announced in Parliament on January 14, 1960?

**Mr. Munro:** None.

VANCOUVER INTERNATIONAL AIRPORT

*Question No. 1,360*—**Mr. Mather:**

What is the estimated date for completion of Vancouver international airport facilities?

**Mr. McIlraith:** It is assumed this question refers to the proposed new terminal building. Given continuing good weather and no delays arising out of labour difficulties, completion should take about three years from the time of start of construction.

RICHARD HACHEY, MONTREAL—UNEMPLOYMENT INSURANCE CLAIM

*Question No. 1,367*—**Mr. Douglas:**

Have representations been received from Mr. Richard Hachey of 2102 Vauquelin street, Montreal, concerning entitlement to unemployment insurance benefits and, if so, what is the nature of these representations, and what answer has been made?

**Mr. MacEachen:** Yes. Mr. Hachey's representations were in two parts: (1) because he had been deprived of the dependency rate of benefit following the discovery that his wife, whom he had claimed as a dependant, did not qualify as such under the legislation, and (2) having failed to notify his local office of a change of address, benefit was suspended until it was determined if he had fulfilled the availability requirements of the legislation.

With regard to the first matter, he was requested to apply for the dependency rate in respect of his three year old child in place of his wife. This he failed to do.

Respecting the second matter, an investigation disclosed that Mr. Hachey had continued to fulfil the availability requirements despite his change of address, whereupon the suspension of benefit was lifted and all benefit due paid to him on the 10th of October.

EXTENSION OF DOCKING FACILITIES, B.C.

*Question No. 1,381*—**Mr. Mather:**

Is consideration being given to providing added docking facilities at Fraser river and Surrey docks in line with the increased export of grain from Pacific ports?

**Mr. Pickersgill:** Not according to any information in the possession of the government.

CONSTRUCTION OF AIRPORT, MALARTIC, QUE.

*Question No. 1,391*—**Mr. Caouette:**

Has the government received any representations in connection with the building of an airport at Malartic, in the county of Villeneuve and, if so, what consideration is being given to these representations?



**Mr. McIlraith:** On September 17, 1958, the Malartic chamber of commerce asked for advice and information for use in the development of a municipal airport. On May 21, 1959 officials of the department visited Malartic and inspected a number of suggested airport sites and one of these was subsequently recommended to the chamber of commerce for development. The chamber was informed that if any further technical assistance was required it would be provided upon request.

On March 12, 1962, a delegation from Malartic, including the mayor, the president of the Malartic chamber of commerce and local residents presented a brief to officials of the department which was based on the premise that the Val d'Or airport, operated by the Royal Canadian Air Force would be closed to civil aircraft. The delegation was informed that there was no current question of closing the airport to civil traffic in the foreseeable future.

As long as the Val d'Or airport, which was developed at federal expense, remains available for civil use, an airport at Malartic would be considered a local airport for which the prime responsibility for the development would rest with the town of Malartic. As the town has not requested cost sharing assistance for such an airport, no consideration is now being given to the matter.

R.C.M.P. PHOTOGRAPHS OF POLITICAL SPEAKERS

*Question No. 1,412*—**Mr. Caouette:**

1. Do the Royal Canadian Mounted Police photograph speakers at political rallies and, if so, were such photographs taken at the demonstration against nuclear weapons in Quebec city on October 12 last?

2. Was the Prime Minister, Mr. Pearson, photographed by the R.C.M.P. when he spoke about nuclear weapons in the past?

**Mr. Macdonald:** 1. No.

2. No.

SNYE CROSSING, FORT SIMPSON, N.W.T.

*Question No. 1,414*—**Mr. Rheaume:**

1. What is the total amount that has been spent from 1953 to the present on maintenance and repair to the Snye crossing from the island to the mainland at Fort Simpson, N.W.T.?

2. For each year since 1953 to the present, how many days was this crossing impassable?

3. What are the estimated annual expenditures to maintain and repair this crossing for 1963-64 and 1964-65?

4. What companies or agencies carried out the work for each year since 1953, and by whom was such work planned and supervised?

**Answer:** 1. $56,900.

2. No records kept; estimates: vehicle traffic: 50 days per year average. Boat and pedestrian traffic: 10 days per year average.

3. 1963-64: $3,600; 1964-65: probably about the same amount.

4.

| Year | Company | Planned and Supervised by |
|---|---|---|
| 1952-53 | D.O.T. | D.O.T. |
| 1953-54 | Goodall Contracting Ltd. F. Simpson | D.O.T. |
| 1954-55 | Goodall Contracting Ltd. F. Simpson | D.O.T. |
| 1955-56 | Simpson Service Ltd. Fort Simpson | N.A.N.R. |
| 1956-57 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| 1957-58 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| 1958-59 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| 1959-60 | Arctic Construction Ltd. Dawson Creek | N.A.N.R. |
| 1960-61 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| | Goeson Lumber, Fort Simpson | N.A.N.R. |
| | M. Grosetete Construction, F. Simpson | N.A.N.R. |
| | Arctic Construction Ltd. Dawson Creek | N.A.N.R. |
| 1961-62 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| | Goeson Lumber, Fort Simpson | N.A.N.R. |
| | Don Wetersen, Fort Simpson | N.A.N.R. |
| 1963 | Goodall Contracting Ltd. F. Simpson | N.A.N.R. |
| | Goeson Lumber, Fort Simpson | N.A.N.R. |

DRUMHELLER, ALTA.—CLASSIFICATION AS DEPRESSED AREA

*Question No. 1,417*—**Mr. Woolliams:**

1. Was the city of Drumheller classified as a depressed area so that industry would enjoy the special depreciation and tax benefits?

2. Was the area removed from that category and, if so, for what reason?

3. What is the unemployment figure to date as set out by the national employment office at Drumheller?

4. How many people are unemployed in East Coulee, Wayne, Nacmine, Midlandvale, and Newcastle that are not receiving unemployment insurance benefits?

5. How much coal was mined in this area in 1961, in the months of August and September, 1961?

6. How much coal was mined in this area in 1962, in the months of August and September, 1962?

7. How much coal was mined in this area to date in 1963, in the months of August and September, 1963?

**Mr. Pickersgill:** 1. The locality of Drumheller, including local improvement district No. 42, is included in the special capital cost allowance program for new products. Applications for accelerated capital cost allowances in respect of new depreciable property will continue to be received under this program until December 31, 1963, when the program expires. Under the proposed measures of tax and depreciation benefits to new manufacturing and processing enterprises in designated areas, the Drumheller national employment service local office area has not met the criteria of unemployment and slow economic growth in order to qualify as a designated area.

2. See answer to question 1.

3. The total of persons registered for employment with the Drumheller office of the national employment service on September 30, the latest date for which data are available, was 197.

4. Data are not available.

5, 6 and 7.

| | Drumheller district coal output short tons | |
|---|---|---|
| | August | September |
| 1961 | 25,566 | 48,897 |
| 1962 | 18,253 | 32,539 |
| 1963 | 15,581 | 27,897 |

REMOVAL OF STRONTIUM 90 FROM MILK

*Question No. 1,439*—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

In view of the four and five fold increase of strontium 90 in milk reported by the Department of National Health and Welfare, has the department any plans to inaugurate in conjunction with the provinces, a program to remove strontium 90 from milk by utilizing the method successfully employed elsewhere?

**Miss LaMarsh:** No. While there has been a substantial increase in the concentration of strontium 90 in milk, this was expected as a result of the extensive atmospheric weapons testing programs conducted in 1961 and 1962. It is also expected that peak levels have already or will occur very shortly and that thereafter the concentration will decrease substantially again. The department has constantly emphasized the importance, in assessing the significance to health, of comparing reference standards with averages for extended periods, such as a year, rather than with individual values. On this basis values reported to date are well within acceptable limits.

*HOUSE CONSTRUCTION IN WINTER MONTHS

*Question No. 1,443*—**Mr. Vincent:**

1. Does the program to encourage house construction in the winter months provide for the payment of (a) $500 in the case of a single-dwelling unit, and (b) $2,000 in the case of a four dwelling unit?

2. Does the payment mentioned in (b) above apply to five and six dwelling units and, if not, for what reasons?

**Mr. Byrne:** 1. (a) Yes. (b) Yes.

2. No. The incentive applies only to residential structures containing not more than four

self contained units since construction of large multiple housing accommodation is normally carried out throughout the year.

*RACIAL DISCRIMINATION IN PUBLIC SERVICE

*Question No. 1,446*—**Mr. Côté (Chicoutimi):**

Did the Secretary of State recently receive or take notice of a letter from eight federal government employees alleging racial discrimination in the federal civil service, and, if so, (a) has the Secretary of State investigated the allegations and (b) what steps are being taken with respect to such representations?

**Mr. Pickersgill:** Mr. Speaker, a search has been made of the departmental files and the civil service commission files, and no such letter appears to have been received.

*Questions*

QUOTAS ON IMPORTS FROM CERTAIN COUNTRIES

*Question No. 1,448*—**Mr. Scott:**

1. Has the government concluded the negotiations mentioned by the Minister of Trade and Commerce in *Hansard*, May 23, 1963, concerning the persuading of Portugal, Israel, Hong Kong and Formosa to accept quotas on certain exports to Canada?
2. If so, in the case of each country, what is the nature and size of each quota, and what goods and/or commodities are covered by the quota?
3. How long will such quotas be in effect?
4. How will exports to Canada under these quotas compare with exports to Canada prior to such quotas?

**Mr. Benson:** 1. Yes.

2. See table following.

3. The present understandings relate to the periods shown in the answer to No. 2.

4. See answer to No. 2.

Restraints on exports of certain products to Canada

NOTE: Figures are in "thousands"

| Country | Item | Unit | Current restraint year ending | Level of imports[1] in the 12 months preceding the current restraint year | Level of imports[1] in the year previous to the 12 months preceding the current restraint year | Maximum restraint level |
|---|---|---|---|---|---|---|
| Portugal | Cotton yarn | Pounds | December 31, 1963 | 2,085 | 439 | 1,900 |
| Israel | Cotton yarn | Pounds | December 31, 1963 | 2,484 | 146 | 1,900 |
| Hong Kong | Woven cotton slacks, shorts, jeans, trousers: | | | | | |
| | Men's | Dozens | September 30, 1964 | 57 | 69 | 70 |
| | Women's | Dozens | September 30, 1964 | 48 | 87 | 56.5 |
| | Children's | Dozens | September 30, 1964 | 125 | 123 | 131.5 |
| | | | | 230 | 279 | 258 |
| | Knitted cotton shirts | Dozens | September 30, 1964 | 70 | 125 | 134 |
| | Woven cotton shirts | Dozens | September 30, 1964 | 130 | 105 | 134 |
| | Woven cotton nightwear | Dozens | September 30, 1964 | 89 | 81 | 88 |
| Republic of China (Taiwan) | Woven cotton shirts | Dozens | June 30, 1964 | 72 | 36 | 66 |
| | Cotton nightwear | Dozens | June 30, 1964 | 71 | 44 | 66 |
| | Cotton fabrics | Square yards | June 30, 1964 | 1,070 | 50 | 550 |
| | (of which corduroy | Square yards | June 30, 1964 | (99) | (nil) | (no more than 50) |
| | Rubber soled textile footwear | Pairs | June 30, 1964 | 380 | 148 | 350 |
| | Cotton trousers, slacks and shorts | Dozens | July 31, 1964 | 31 | 7 | 15 |
| | Knitted cotton shirts | Dozens | July 31, 1964 | 24 | 6 | 10 |

[1] For Hong Kong the figures represent the quantities licensed for export by the Hong Kong authorities.
Estimates have been made for imports from the Republic of China in those cases where the import statistics published by the dominion bureau of statistics give insufficient detail.

PUBLICATIONS—RECOMMENDATIONS OF ROYAL COMMISSION

*Question No. 1,451*—**Mr. Scott:**

1. Has the government received requests and representations for action to implement the recommendations of the royal commission on publications?

2. If so, how many such requests and representations were received and from whom were they received, giving date, name and, briefly, the nature of the request or representation?

**Mr. Pearson:** 1. Yes.

2. Three. 22 April 1963, Mr. Hugh MacLennan, 1535 Summerhill ave., Montreal 25, P.Q. 18 Sept. 1963, Mr. F. B. Walker, assistant publisher, *Family Herald,* 245, St. James st. West, Montreal 1, P.Q. 30 Sept. 1963, Mr. C. H. Thorn, managing director, Modern Homes & Publications, Ltd. 96 Kingsway, Vancouver, B. C.

Urging implementation of the report.

PERSONNEL HOUSING, JOINT TRACKING STATION

*Question No. 1,454*—**Mr. Muir (Cape Breton North and Victoria):**

1. Have representations been received by the Canadian government from the government of the United States or any branch thereof for the construction of houses to be used by personnel associated with the joint Nimbus satellite tracking station project?

2. Has a decision been reached, and will Canada provide the housing required?

3. What is the scheduled date of construction of the Nimbus satellite tracking station project?

**Mr. McIlraith:** 1. No.

2. N/A.

3. There is no scheduled date of construction. The United States national aeronautics and space administration has advised the Department of Transport that the whole Nimbus project, of which the proposed tracking station at Cape Breton is a part, is being restudied in the United States and the Department of Transport have been asked to take no further action until the restudy has been completed.

SALES OF CANADIAN SECURITIES TO U.S. INVESTORS

*Question No. 1,455*—**Mr. Scott:**

1. In each month since President Kennedy's announcement of the equalization tax, what have been the total sales of (a) Canadian bonds, and (b) Canadian stocks to American investors, and how do these figures compare with the same figures in 1962?

2. Has the Canadian government made representations to the government of the United States of America to have the retroactive feature removed and, if so, what were the responses, if any, received to such representations?

**Mr. Benson:** 1. Complete figures for total sales of Canadian bonds and Canadian stocks to American investors are not yet available for any calendar month since President Kennedy's announcement of the proposed interest equalization tax.

2. The nature of the discussions between the Canadian and the U.S. governments concerning the imposition of the proposed interest equalization tax and the results of these discussions were revealed in an agreed press release issued on July 21, 1963, as follows:

Ottawa, July 21, 1963: The Honourable Walter L. Gordon, Minister of Finance, issued this afternoon the following statement which had been agreed between representatives of Canada and United States meeting in Washington during the weekend:

"Representatives of Canada and the United States met during the week end to appraise the impact on the Canadian financial markets of the proposed United States 'interest equalization tax'.

The two governments recognized the need for effective action to improve the balance of payments position of both countries and are both equally determined that such action shall not impair the intimate economic relationships between the two countries, nor impede the growth essential for both economies.

For many years the capital markets of the two countries have been closely interconnected, and United States exports of capital to Canada have financed a substantial portion of the Canadian current account deficit with the U.S. This need continues. A portion of these flows must be supplied through the sale of new issues of Canadian securities in American markets. U.S. officials had considered that ample flows for these needs would continue under the proposed 'interest equalization tax'. However, Canadian representatives stated that this would require a very substantial rise in the entire Canadian interest rate structure. It was recognized by both governments that such a development would be undesirable in present economic circumstances.

In the light of this situation U.S. officials agreed that the draft legislation to be submitted to the congress would include a provision authorizing a procedure under which the President could modify the application of the tax by the establishment from time to time of exemptions, which he could make either unlimited or limited in amount. The President would thus have the flexibility to permit tax free purchases of new issues needed to maintain the unimpeded flow of trade and payments between the two countries, and to take care of exceptional situations that might arise in the case of other countries. U.S. officials made clear that this did not modify their proposals regarding the taxation of transactions in outstanding securiites; over the past year such transactions between Canada and the U.S. have not been a major factor.

The Canadian authorities stated that it would not be the desire or intention of Canada to increase her foreign exchange reserves through the proceeds of borrowings in the United States, and it is the hope and expectation of both governments that by maintaining close consultation it will prove possible in practice to have an unlimited exemption for Canada without adverse effect on the United States.

It was agreed that active consultations would continue to strengthen the close economic relations between the two countries and at the same time facilitate measures for making the maximum practicable contributions to economic expansion and the strength and stability of both currencies."

The conversations which were conducted in the United States treasury on Saturday and Sunday

included for Canada Ambassador Charles S. A. Ritchie, Louis Raminsky, governor of the Bank of Canada, Wynne Plumptre, assistant deputy minister of finance, and A. E. Ritchie, assistant under secretary of state for external affairs; for the United States Douglas Dillon, secretary of the treasury, George Ball, under secretary of state, Robert V. Roosa, under secretary of the treasury for monetary affairs, and Stanley Surrey, assistant secretary of the treasury.

CIVIL SERVICE COMPETITION 63-P-ID-68

*Question No. 1,456*—**Mr. Bell:**

Was civil service promotional competition No. 63-P-ID-68 for branch administrative officers in the Department of Industry open only to employees appointed by the civil service commission and, if so, why were these appointments for a new department not made available to other government employees such as those employed in crown corporations?

**Mr. Pickersgill:** I have been given the following answer by the civil service commission:

Yes. This closed competition was open only to employees appointed by the civil service commission. Before conducting a closed competition the commission, pursuant to section 34 of the act, is required to determine the division or branch of the public service and the class or grade of position, if any, in which prospective candidates must be employed in order to be eligible for appointment. When determining the area of this competition the commission based its decision on previous experience, which indicated that the response should be sufficient if it were restricted to employees who have been appointed by the civil service commission, and on the need for filling these new positions at the earliest possible date.

BANK STATISTICS

*Question No. 1,469*—**Mr. Caouette:**

1. What was the value of goods and services produced for each of the last five years?

2. What was the actual cash in the hands of the chartered banks of Canada for each of the last five years?

3. What was the amount of the bank notes of the Bank of Canada in circulation for each of the last five years?

4. What was the amount of the deposit liabilities of the chartered banks for each of the last five years?

5. What was the amount of the general loans made by the chartered banks for each of the last five years?

6. What was the total paid up capital of the chartered banks for each of the last five years?

**Mr. Pickersgill:** 1. Gross national product (millions of dollars): 1958, 36,048; 1959, 38,430; 1960, 39,437; 1961, 40,511; 1962, 43,646.

2, 3, 4, 5 and 6. The figures requested appear in the monthly statement of assets and liabilities of the chartered banks published by the Department of Finance and in the monthly statistical summary published by the Bank of Canada.

R.C.A.F. TRAVEL EXPENSE CLAIMS

*Question No. 1,471*—**Mr. Matheson:**

1. Are officers of transport command of the Royal Canadian Air Force still subject to the detailed rules with respect to control and review of travel expense claims as criticized on page 166 of volume II of the Glassco commission report and, if so, what specific information is presently required under treasury board rules as defined by the comptroller of the treasury's office in connection with hotel and other travel expense claims?

2. Has the Royal Canadian Air Force received complaints to the effect (a) that such a method of presenting claims is time consuming and uneconomical, and (b) that in certain foreign countries R.C.A.F. officers are compelled to seek accommodation unbefitting a serving officer of Canada, if they seek to come within the scale allowed by treasury board officials?

3. If the answer to (1) is yes, is the government giving consideration to making control of R.C.A.F. travel expense claims a departmental responsibility?

**Answer:** 1. Officers of transport command are subject to the same directions as all officers of the forces in respect to travel claims. These directions are set out in the Queen's regulations for the Royal Canadian Air Force. Normally the costs of accommodation and meals are covered by a per diem rate. Where this rate is unsuitable the minister may authorize a higher per diem rate or actual expenses for accommodation and meals in accordance with the public service travel regulations. In this case receipts for accommodation must be submitted and costs of meals must be listed. No change has been made since publication of part II of the Glassco commission report.

2. (a) Yes, as to the necessity of seeking headquarters approval of special rates or actual expenses.

(b) No.

3. Subject to the directions contained in the Queen's regulations this is now a departmental responsibility. A review is being made of the travel regulations applicable to the public service under the direction of the treasury board and when this is completed, the regulations applicable to the forces will be examined in the light of any changes made in the public service regulations.

COST OF MENTAL ILLNESS

*Question No. 1,477*—**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?

**Answer:** 1. The cost of medical care distinct from medical care given in hospitals and of medication distinct from medication given in hospitals for mental illness is not known.

The cost of hospital care given to mental in patients has been estimated at $158,469,000 for 1961. Of this total, $132,206,000 was reported to d.b.s.; the remaining $26,263,000 was estimated to take account both of the costs of public mental hospitals failing to report expenditure data to d.b.s. and of the costs of other hospitals giving (some) mental care but not asked to supply d.b.s. with (separate) financial figures. This latter group is comprised of private mental hospitals, federal psychiatric units and public hospital psychiatric units. The estimates in all cases were based on the days of in patient care provided to mental cases by the institutions in question.

2. Not available.

BUTTER CONVERTED TO BUTTER OIL

*Question No. 1,490*—**Mr. Peters:**

1. How much butter, in pounds, has been converted into butter oils during the years 1957, 1958, 1959, 1960, 1961, 1962?

2. What sales have been made for the commodity butter oil, for each of the above years, and at what price?

3. For what purpose was the butter oil purchased?

**Mr. Hays:** 1. 1957, nil; 1958, nil; 1959, nil; 1960, 20,581,225 pounds; 1961, 51,358,428 pounds; 1962, 33,035,777 pounds.

2. 1957, nil; 1958, nil; 1959, nil; 1960, 986,485 pounds at 78½ cents per pound, basis Toronto and Montreal; 1961, 709,300 pounds at 78½ cents per pound, basis Toronto and Montreal; 1962, 353,437 pounds at 65 cents per pound, basis Toronto and Montreal.

3. For domestic manufacturing purposes.

RESPONSIBILITY FOR GRAIN EXCHANGES

*Question No. 1,491*—**Mr. Langlois:**

1. What responsibility, if any, has the federal government for the licensing or control of operations of the (a) Winnipeg grain exchange (b) Montreal grain exchange, and (c) Toronto grain exchange?

2. What are the functions of the above mentioned grain exchanges and, is there any federal control over prices set by these exchanges?

3. If federally licensed, on what date did each exchange commence operation, and what agency granted the license?

**Mr. Pickersgill:** 1, 2 and 3. The federal government has no responsibility in relation to the operations of grain exchanges.

PLANS TO ENLARGE OR ESTABLISH NEW MEDICAL COLLEGES

*Question No. 1,494*—**Mr. Orlikow:**

Is the government discussing with the provincial governments, the medical colleges and the Canadian medical association the advisability of (a) increasing the size of the present medical colleges, or (b) the establishment of new medical colleges with a view to making it possible to meet Canadian needs for doctors in the 1970's as a result of the rapidly increasing Canadian population?

**Miss LaMarsh:** Several of the briefs presented to the royal commission on health services dealt with the need for the training of health personnel and the royal commission has instituted a number of studies with this in mind. It is expected that the royal commission will be making recommendations in this regard to which the government will give careful consideration.

AUDIT CLERKS, NATIONAL REVENUE DEPARTMENT

*Question No. 1,497*—**Mr. Laprise:**

How many audit clerks are there to check income tax returns in the taxation division of the Department of National Revenue (a) in Canada (b) in the province of Quebec, (c) in the Rouyn office?

[*Translation*]

**Mr. Garland:** The question presumedly has to do with assessors since there are no audit clerks in the taxation division.

(a) At present, the division has 2,254 assessors; (b) 430 in the province of Quebec; (c) 13 in the Rouyn office.

[*Text*]

*AUDITOR GENERAL'S REPORT

*Question No. 1,499*—**Mr. Fisher:**

1. At what stage is the Auditor General's report for the year ending March 31, 1963?

2. Has the Minister of National Revenue or the deputy minister (taxation) been shown a draft or any portion of a draft of this particular year?

3. If so, under what authority (statute, etc.) was the Auditor General empowered to do this?

4. Does the Auditor General consider it his responsibility to inform a department that it must or should collect revenue, including instructions on how it is to be done, or should he report such matters first to parliament?

**Mr. Benson:** Mr. Speaker, I have been informed by the assistant auditor general that:

1. The first draft of the report has been considered by the Auditor General and his senior officers, and a second draft is now being given consideration.

2. No. (However, as in previous years, where it is deemed necessary in order to ensure factual correctness and that notice is being taken of all material facts, copies of some draft paragraphs will be shown, in confidence, to the deputy ministers or other senior officers of the departments concerned).

3. The practice of showing some draft paragraphs of the report, in confidence, to deputy ministers or other senior departmental officers is one of long standing, though not specifically provided by statute.

4. No, the Auditor General does not consider it his responsibility to inform a department that it must or should collect revenue, including instructions on how it is to be

done. However, if in the course of the audit it is noted that a department has failed to take appropriate collection action, the Auditor General or one of his officers would bring this to the attention of the department, and request an explanation. In the light of the explanation given, the Auditor General would then decide whether this reporting responsibilities under section 70 of the Financial Administration Act required him to include reference to the matter in his next annual report to parliament.

CLOSING OF FILM BOARD OFFICE, NEW GLASGOW, N.S.

*Question No. 1,509*—**Mr. MacEwan:**

Has the government received a resolution from the New Glasgow area film council, New Glasgow, Nova Scotia, asking that the national film board office at New Glasgow remain open, and not be closed in November and, if so, what action does the government intend to take in regard to this important matter?

**Mr. Pickersgill:** I am advised that the national film board has received such a resolution.

As already stated in reply to question No. 1,333, it is not the intention of the national film board to close its office at New Glasgow, Nova Scotia.

TAX EXEMPTION, CANADIAN ECONOMIC FOUNDATION

*Question No. 1,513*—**Mr. Orlikow:**

1. Was the Canadian economic foundation given the right to receive contributions which are deductible for tax purposes and, if so, on what date was the right granted?
2. What reasons were advanced by this organization to the minister in its request that it be granted such a right?
3. What were the government's reasons for granting such tax exemption status to the Canadian economic foundation?
4. What are the principal aims of the Canadian economic foundation and do they include participation in political activities?
5. Is the government reconsidering the tax exempt status of the Canadian economic foundation?

**Mr. Garland:** 1. The foundation was advised on January 30, 1963, that contributions would be deductible for tax purposes, subject to review from time to time.

2. The Canadian economic foundation was incorporated without share capital under the Dominion Companies Act by letters patent on March 8, 1962, the purpose of which is stated to be to conduct research and to inform the people of Canada generally in a better understanding of the proper relationship between government, business, industry and labour in Canada operating under a free competitive enterprise system.

[Mr. Benson.]

3. The application submitted by the foundation stated the work of the foundation was entirely educational, which is a charitable purpose in law.

4. To educate the public on how our economy works. The material submitted does not indicate participation in political activities.

5. Yes.

*MONTREAL OFFICE, PUBLIC WORKS MINISTER

*Question No. 1,515*—**Mr. Pigeon:**

1. What was the cost of providing for the office of the Minister of Public Works in Montreal?
2. What are the names, titles, functions, and working conditions of the personnel attached to the minister's office in Montreal?
3. Are these persons appointed by (a) the minister (b) the civil service commission?

[*Translation*]

**Mr. Badanai:** 1. $1,538.00.

2. Mr. Joseph A. E. Cournoyer-Morin, assistant private secretary, does the usual work associated with such a position, that is correspondence, interviews, etc. Mr. Pierre Dequoy, clerk grade 3, helps Mr. Cournoyer-Morin and supervises the office work. Miss Lucille Saint-Jacques, clerk grade 3, a receptionist, does some typing and office work. Miss J. Robitaille, part time stenographer, does secretarial work. All of them have the same working conditions as other civil servants.

3. By order-in-council.

[*Text*]

CLINTON, ONT., POST OFFICE

*Question No. 1,534*—**Mr. Cardiff:**

Has the contract been let for the new post office at Clinton, Ontario, and, if so, (a) what is the contract price (b) what progress has been made, if any?

**Mr. Badanai:** No. (a) and (b) not applicable.

UNEMPLOYMENT INSURANCE AGREEMENTS WITH AMERICAN STATES

*Question No. 1,535*—**Mr. Dionne:**

1. Are negotiations continuing with the four American states which have not yet signed agreements with respect to unemployment insurance?
2. Are any delays being experienced in such negotiations and, if so, what are the reasons for such delays?

**Mr. MacEachen:** 1. With Maine only. Efforts have been concentrated with Maine, because the largest number of Canadian woodsmen are employed in that state. New Hampshire requires an amendment to its legislation before it can enter into any agreement with Canada.

The movement of workers from Canada to Iowa and Alabama, and vice versa, is so small that reciprocal agreements with these two states would be of little practical value.

2. No.

*Questions*

ENCOURAGEMENT FOR SUGAR BEET INDUSTRY

*Question No. 1,537*—**Mr. Thomas:**

Will the government consider additional encouragement and stabilization for the sugar beet industry in Canada, with a view to (a) expanding our domestic production of sugar (b) creating more job opportunities in Canada (c) improving our external balance of payments?

**Mr. Hays:** At present the price of sugar beets grown in Canada is stabilized under the Agricultural Stabilization Act by a deficiency payment program. This program is based on the relationship between the average declared value of imported raw sugar and the price received by Canadian producers for the sugar in their beets and it is considered that the policy effectively protects Canadian producers against downward fluctuations in world sugar prices. The current level of support is 109 per cent of the base price which is the 10 year average price that Canadian producers have received for their beets. The support program and level is reviewed annually.

It is considered that current sugar prices should be adequate to provide for any reasonable and economic expansion of the domestic beet sugar industry.

REFUND CLAIMS FOR TAX ON BUILDING MATERIALS

*Question No. 1,539*—**Mr. Ricard:**

From June 14, 1963 to October 26, 1963, following the change made to the tax rate on building materials from 11 per cent to 4 per cent, how many persons claimed refunds, and what was the total amount of these claims?

**Mr. Garland:** Information not available. Refund claims are not filed nor are they tabulated by the department according to commodities. Adjustments made by licensees in the course of business are recorded in their accounts and subject to audit but are not recorded as refunds by the department as they do not involve the filing of claims or payments from the consolidated revenue.

STAMP SALES AND COSTS

*Question No. 1,542*—**Mr. Belanger:**

1. What was the amount paid by Canadians for postal stamps of all denominations during the fiscal year 1962-63?
2. How much have these stamps cost the government of Canada or the Post Office Department?
3. To whom have the amounts mentioned in the preceding question been paid?

**Mr. Denis:** 1. $91,723,497.24.

2. $1,286,834.

3. To the Canadian Bank Note Company, Limited, Ottawa, the British American Bank Note Company, Limited, Ottawa and the International Envelope Limited, Montreal.

CO-OPERATION IN MANAGEMENT OF MONTREAL HARBOUR

*Question No. 1,543*—**Mr. Latulippe:**

Does the government intend to amend, in the near future, statutes relating to the Montreal harbour and the national harbours board, in order to promote increased co-operation between municipal, provincial and federal authorities in the management of the Montreal harbour?

[*Translation*]

**Mr. Cantin:** Since this is a question of government policy, any announcement in that connection would be made in the usual manner.

[*Text*]

GROUPING OF TOURIST INDUSTRY AGENCIES

*Question No. 1,548*—**Mr. Latulippe:**

Does the government intend to examine the possibility of grouping under the authority of the Department of Industry all boards and departmental branches which deal with the tourist industry in Canada?

**Mr. Drury:** Under the provisions of the Department of Industry Act, the duties, powers and functions of the minister extend only to matters relating to manufacturing industries.

DEPORTATION ORDER AGAINST BARNABE GARCIA

*Question No. 1,555*—**Mr. Martineau:**

1. Was a deportation order issued against Mr. Barnabe Garcia and, if so, for what reasons?
2. Did Mr. Garcia lodge an appeal against this order?

**Mr. Munro:** 1. Yes; under section 19(1)(e)(x) of the Immigration Act in that he came into Canada as a member of a crew and, without the approval of an immigration officer, remained in Canada after the departure of the vehicle on which he came to Canada.

2. Yes.

CHRYSLER COMPANY TENDER FOR STAKE TRUCKS

*Question No. 1,556*—**Mr. Lambert:**

1. With reference to the reply to question number 1,500, what were the names of the four firms who tendered, indicating the amount of each firm's tender?
2. In what way did the vehicles offered by the lowest tenderer not meet the requirements of the specifications?

**Mr. Drury:** 1. General Motors Products of Canada, Oshawa, Ontario., $3,130,017.20; Chrysler Canada Ltd., Windsor, Ontario., $3,130,600.20; Ford Motor Company of Canada Ltd., Oakville, Ontario, $3,275,252.00; International Harvester Company, Hamilton, Ontario, $3,595,543.80.

2. The vehicles offered by the lowest tenderer were rejected because of capacity deficiencies in the rear axle and rear springs.

*Order for Return*

SALARY OF C.B.C. PRESIDENT

*Question No. 1,581*—**Mr. Martineau:**

1. What is the present salary of the president of the C.B.C., Mr. Alphonse Ouimet?

2. How long has he been receiving this rate of salary?

3. When did he receive the last increase of salary?

4. Is consideration being given at the present time to increasing his salary?

5. Have any of the other executive officers of the C.B.C. recently received salary increases and, if so, which officers have received increases, giving in each case, the amounts of such increases?

6. Is consideration being given at the present time to increasing the rate of salaries being paid to its executive officers?

**Mr. Pickersgill:** I am informed by the Canadian Broadcasting Corporation as follows:

1. $20,000.

2. Approximately 9 years.

3. July 1, 1954 as general manager.

4. Yes.

5 and 6. It has not been customary to require crown corporations to disclose information which is basically related to their administration and management. There is the additional consideration that disclosure of such information could adversely affect the C.B.C. in the competitive business in which it is engaged.

## QUESTION PASSED AS ORDER FOR RETURN

FEDERAL CONSTRUCTION PROJECTS, MACKENZIE DISTRICT AND FORT SMITH AREA

*Question No. 1,094*—**Mr. Rheaume:**

1. What federal construction projects including roads are planned for the 1963-64 fiscal year in (a) Mackenzie district and (b) Fort Smith area?

2. How many of these projects, in each of the above areas, will be carried out by (a) Department of Public Works (b) Department of Northern Affairs and National Resources and (c) private contractors?

Return tabled.

**Mr. Frank Howard (Skeena):** Mr. Speaker, I rise on a question of privilege. My question of privilege involves starred question No. 1,349, which has been on the order paper for three weeks now. It asks a very simple question, namely what is to be the site of the Canadian world exhibition, when the decision was made to select this site, who made it, and under what authority. Surely a simple question such as that should be within the knowledge of whoever is the minister responsible, and it should have been answered by now.

Mr. Drury.]

## HOUSE OF COMMONS

PROCEDURE RESPECTING QUESTIONS ON ORDERS OF THE DAY

**Mr. Speaker:** Hon. members may recall that last Thursday I made certain tentative suggestions to the house by way of experiment. Today being Monday it would be very helpful to the Chair if I could have an expression of opinion or have those suggestions adopted for future conduct of business in the house.

**Some hon. Members:** Carried.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, perhaps that could remain until just before the orders of the day are called and could be discussed then, because I think there will be some discussion on your suggestions.

**Mr. Speaker:** We have reached that point in our proceedings; I was about to call orders of the day.

**Mr. Diefenbaker:** Well, Mr. Speaker, the official opposition has looked into this matter, and while entirely in agreement with the objective cannot accept in their entirety the various suggestions which you made. There was no consultation with the Leader of the Opposition by the Speaker or anyone on his behalf before this matter was brought before the house by Your Honour.

We think that in general these are matters which should be considered by the committee and that an early report, an interim report, could be made by the committee respecting these various ideas and views expressed. The responsibility for maintaining the rules rests on the Speaker. Your Honour has set forth clearly and definitively the rules which apply to questions asked before the orders of the day. We had an experience with the last occupant of the august position you now occupy; he endeavoured to enforce the rules very strictly and definitely, and one just has to read what took place in order to have an answer.

Mention was made by Your Honour of the number of questions which were asked, and I suggested that Your Honour might go back into 1962 and 1961 and have placed on the record something of the experience of those two years. The other day I stated that the trend in recent years has been in the general direction of an increase in questions. Yesterday, casually reading one of the political quarterly reports of 1962, I came upon a reference to a book "Questions in Parliament" by Chester and Bowring, 1962. I did not expect that volume to be in the library, but it was. That shows the trend in the United Kingdom.

Because, Mr. Speaker, you placed on the record the numbers of questions asked, which

might lead some to believe that this parliament acted differently from other parliaments, I looked up what had taken place in the United Kingdom since 1902, when a change was made.

**Mr. Pickersgill:** Could the hon. gentleman give me the page?

**Mr. Diefenbaker:** I should be glad to give the page numbers. I am glad the Secretary of State has this copy because apparently he did not read this particular portion during the statement he made recently. This is page 87, and here he will find set out the change that has taken place in the United Kingdom. We are shocked at the number of questions in this parliament. Well, making allowance for the fact that the United Kingdom house has 630 members, here is the general outline of developments there; the rest can be filled in later. In 1903, following the change in the rules, the number of starred questions was 2,544 and the number of unstarred questions was 110.

**Mr. Pickersgill:** I think the right hon. gentleman has made an error. There were 1,992 unstarred questions.

**Mr. Diefenbaker:** Yes, the record in 1902 was the record during the period when the changes were made in the rules. That is why I started in 1903. I have no objection to the 1902 figures. Let us go back to the year before that. In 1901 the total number of starred was 6,448. In 1902, up to May 5, the number was 2,917 and, after May 5, 2,415. Then the rules were changed. Let us now take the year 1950. The number of starred questions in 1950 in the British house was 7,971, and it rose all the way to 14,700. In 1959-60, the last date for which figures are available, the number of starred questions was 10,161 and the total number of all questions, starred and unstarred, ranged between 1950 and 1960 from 9,861 to 13,471.

This is a revealing situation. The reasons for the increase are set out at page 90. It says fluctuations of this character are to be expected in most forms of parliamentary activity. In part they reflect the political problems attracting the attention of members at different times and, in part, they reflect the size of the government's majority. It says that a vigorously led opposition facing a government with a small majority will try to harass ministers in all possible ways. That was the conclusion reached. In the United Kingdom, the question period is jealously guarded and zealously preserved. It has been described as the grand assize of the nation.

Now, sir, I come to your suggestions. I do not intend to go into them in great detail. A debate similar to the one which took place here when we were discussing the setting up of a committee occurred in the United Kingdom in 1959-60, at which time Mr. Butler proposed to reduce the number of oral questions which might be asked by any member on any one day from three to two. I should like to deal with the statement you made, Mr. Speaker. First there is the principle:

> The form of questions is governed by the terms of standing order 39, section 1, providing in part that in putting a question no argument or opinion is to be offered nor any facts stated, except so far as might be necessary to explain the question.

There would be no argument about that.

> 2. Questions should be offered only in connection with urgent and important matters of public concern when, because of immediacy, the regular procedure relating to questions cannot be utilized.

There is no question about that.

> 3. An explanation can be sought regarding the intention of the government, but not an explanation of opinion upon matters of policy.
> 4. Supplementary questions are matters of grace.

Well, Your Honour refers to Mr. Speaker Michener in that regard. I do not find that in the United Kingdom supplementary questions are in that position. After all, we do not follow the United Kingdom in every way in our parliamentary procedure, though we regularly quote May on that mother of parliaments.

Now, sir, we come to your own proposals:

> 1. In placing questions, hon. members seeking information from ministers will be expected to adhere to the rules governing questions as enunciated by my predecessors and as set forth—

And so on. To this I give 100 per cent support, because questions must be within the rules.

> 2. No more than two supplementary questions, which must be genuine supplementary questions and which, I remind hon. members, are matters of grace, might be asked.

I think this is one part of your recommendations which could go to the committee.

> I would take it upon myself to select questioners in rough ratio to the number of hon. members comprising any one body in the house.

What does that mean? It means that the Liberal party would have 15 minutes and we would have 11 minutes. Sir, the 30 minutes would be used up very quickly if you proceeded on that basis to allocate the time during which members of the parties might ask questions, and the question period would become a simple routine. If members supporting the government started in to ask questions and you called on them in proportion to the total membership of the house, the opposition would find itself in a position where its rights had been greatly curtailed.

> No more than 30 minutes would be allowed to elapse from the time on the clock when the first question was asked.

I mentioned the other day that I thought we should be able to cover the most important questions in 30 minutes, but it would all depend on whether they were answered. It would also depend on whether Your Honour was allocating the questions on the basis set out in paragraph 3. In the United Kingdom, where there is a restriction on the right to ask questions which come within the rules, if a member is not satisfied with the answer he gets from the government he has a recourse. But you, sir, in setting forth your plan, say in effect that questions of privilege or points of order cannot be raised during the 30 minutes. On one hand we have a rule that points of order or questions or privilege must be raised immediately; on the other hand, you suggest the substitution of a new formula of procedure.

We want to co-operate fully, but if there were to be any limitation there would have to be a change made so there would not be an automatic adjournment of the house at ten o'clock at night. Whenever a member of the U.K. parliament finds that his question is not properly answered, or not satisfactorily dealt with, he has the right to rise and announce that at the end of the day's sitting he intends to raise the subject. If the time is limited to 30 minutes and the right to raise points of order or privilege is denied, I submit with the greatest deference that a change would have to be made so that we would not be at the mercy of the government in the discharge of our responsibilities. In these circumstances this part of your suggestion should, I think, go to the committee.

Your Honour suggests that though points of order or questions of privilege would not be allowed with respect to any ruling of the Chair, any member who felt himself seriously aggrieved might be permitted to raise a question of privilege about a decision of the Chair at the close of the question period. If that were the course followed, the half hour would not be the length of the question period, and there would be no effective saving of time in this regard.

For my part I offer you the fullest co-operation, Mr. Speaker. Personally I have tried, though I may not always have succeeded, to keep within the rules, as I know hon. members opposite have tried. I regard it as of primary importance in order to maintain the prestige of parliament that we do not abuse the rules.

This being so, I think the various suggestions Your Honour has made should go to the committee, except that one relating to the strong enforcement of the rules. If you follow that you will have my fullest co-operation in every way.

**[Mr. Diefenbaker.]**

**Mr. D. M. Fisher (Port Arthur):** It appears, Mr. Speaker, that you are not going to get any help from the Pharisees in driving the Pharisees out of this temple. In these circumstances there is not much point in my comments on behalf of my colleagues, or for this group. The former prime minister has indicated that he does not see eye to eye with your proposals; therefore there is little point in making further comments, except to say that we were prepared to co-operate with regard to the idea of the half hour, though we were somewhat concerned over the suggestion to call hon. members in proportion to the size of the groups to which they belong. As the Leader of the Opposition has said, that can go to the committee now.

We would like to assure you that we will give our co-operation, but we would also like to appeal to you not to be discouraged by the response you have had to your suggestions. If you should get tough and rough, as long as we see the elementary fairness that I think we will see we will be prepared to go along with that. I suggest that in view of what has been said, particularly by the previous speaker, the burden is now upon you, Mr. Speaker, and we will look forward to seeing you bear that burden.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, the leader of the official opposition has gone to great lengths to point out what has been the practice in the parliament of the United Kingdom. I would say there is an ample record of other parliaments, equally based on the traditions of the mother of parliaments that we follow, where they have very successfully limited the question period in fairness to all members of the house, even where there are more than two parties.

I believe the proposition that you have made is a sound one and that we should give it a try. We will co-operate with you, sir, in carrying on the business of the all-important question period, recognizing that you have the responsibility for the effective and efficient functioning of the house. I believe we should also give our fullest support to the committee, because it is made up of members of all parties in the house, and that we should make every effort not only to co-operate but to work together to make our functioning here more effective.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, as I said Thursday when you brought forth your six-point suggestion, we are ready to co-operate to the fullest extent possible toward the application of the proposals you made last week.

However, we pointed out on that occasion how important it was that we got clear and accurate answers to our questions.

I heard the Leader of the Opposition (Mr. Diefenbaker) mention that this new procedure might cut down on the time of the members of his party and prevent them from asking some questions. In my view, many questions are asked that should not be asked, and this applies particularly to the Conservatives during the past several weeks.

Such a procedure would help improve the situation and shorten the time taken up by the question period.

We have been here for an hour and ten minutes already and the orders of the day have not yet been called.

Mr. Speaker, we believe the proposed thirty minutes would be sufficient, provided each group is recognized and has an opportunity to ask questions and the minister concerned answers accurately and does not beat around the bush, so that the house may be well informed when members ask questions.

As I said last Thursday, we are willing to give you our full support and to co-operate with you.

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I should like to thank you for your very sincere, if unsuccessful, effort to speed up and make more effective the work of the house during the current session.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** Just plain nonsense.

**Mr. Speaker:** Order. At this time I should like to thank the Leader of the Opposition for his helpful remarks. Perhaps he is right. In matters of serious importance such as this perhaps the best method to follow is to make haste slowly. I do hope that the committee on procedure and reform will activate itself within the next few days; then we can consider the matter very carefully. With the co-operation of hon. members, shall we start with orders of the day?

## EXTERNAL AFFAIRS

### SOUTH VIET NAM—RECOGNITION OF NEW GOVERNMENT

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. It has to do with the successful coup in South Viet Nam. In order to ensure that the Canadian decision on recognition will not be a mere formality or an automatic following of other countries in this regard, is he able to say that such recognition when considered will not be done hastily but only after a full investigation of the surrounding circumstances leading up to the revolution?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I can assure the hon. gentleman that the government will give the fullest consideration to the recognition of the new government when it is firmly established in South Viet Nam. The government does not have before it all the facts which it considers necessary to make such a decision, which will neither be made with undue haste nor lightly.

**Mr. R. N. Thompson (Red Deer):** A supplementary question, Mr. Speaker. In view of the fact that we do not have any direct diplomatic or trade mission in Viet Nam and also because of the fact that there are a large number of Canadian personnel in the country, not only in Saigon but also in the rural areas, what information can the Secretary of State for External Affairs give us about the safety of Canadian nationals in Viet Nam?

**Mr. Martin (Essex East):** Mr. Speaker, as the hon. gentleman perhaps has not recalled, we have a representative on the international supervisory commission, a commission made up of representatives from Canada, India and Poland. We have received information from our representative. The events of last week in South Viet Nam were surrounded, of course, by great confusion. However, I can tell the house that according to information so far available, no Canadian lives were lost in the events during the last few days in South Viet Nam.

## LABOUR RELATIONS

### BRITISH COLUMBIA—REPORTED WALKOUT OF LONGSHOREMEN

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a proper, brief and urgent question to the Minister of Labour. Has the minister any information to give the house—

**Mr. Speaker:** Order. The hon. member was kind enough to send me a copy of this question. May I suggest to him that the first part of the question is in order and that the second paragraph be dropped.

**Mr. Herridge:** Mr. Speaker, I will willingly sacrifice the 30 seconds involved. Has the minister any information to give the house in respect of the reported walkout of longshoremen employed in the ports of British Columbia?

*Inquiries of the Ministry*

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, it appears that arising out of the settlement made last August it was agreed that certain retroactive wage payments should be made to the longshoremen. I am informed that the purpose of the walkout is to speed up the process of payment, and that at the present time Vancouver officers of the Department of Labour are close to the situation and will render any assistance possible in the resumption of work.

CHARGE AGAINST HAL BANKS—INQUIRY AS TO ARREST

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I should like to direct a question to the Minister of Justice arising out of the answer he gave to a member's question on Thursday with reference to the charges laid against Banks. Is the minister sure that a charge has been laid against Banks? If the answer is yes, then I ask him why Banks was not arrested at that time, and why is he not out on bail according to legal practice.

**Mr. Speaker:** May I suggest to the hon. member that the first part of his question was very good, but the second part was completely out of order.

**Mr. Woolliams:** May I rephrase the question and put it in this way. Why was Banks not arrested at the time the charge was laid, and why was he not released on bail?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, that is exactly the part that the Speaker said was out of order, but the hon. member got it in. So far as the first part of the question is concerned, my statement in the house on Thursday was quite clear and it stands as it was made.

**Mr. Woolliams:** On a question of privilege, surely that is a proper question, and surely the House of Commons is entitled to know the answer. The Minister of Justice stated on Thursday that a proper charge involving an indictable offence had been laid against Hal Banks, and surely the House of Commons is entitled to know what the situation is. According to newspaper reports Banks has now disappeared, and surely we are entitled to know how he happened to disappear before he was arrested and why he was not brought before the bar of justice and a proper application made for bail, so that if he was to be at large he would be at large under a proper bail order.

**Some hon. Members:** Order.

[Mr. Herridge.]

**Mr. Woolliams:** My hon. friends say "order". I do not know how many Speakers there are in this house or what colour they are, and so on.

**Mr. Chevrier:** I am just wondering whether this is a question or a speech by the hon. member for Bow River. I did say on Thursday that on the advice of counsel appointed to consider the evidence in connection with the Norris report, a charge had been laid against Hal Banks in Montreal for conspiracy to commit an assault occasioning bodily harm upon Captain Walsh. Now, this is a fact, whether my hon. friend likes it or not, it is a fact. I do not believe it is the responsibility of the Minister of Justice to give a blow by blow account to the house as to the intentions of the special prosecutor or the police so that those who may be charged will know exactly what the next blow is. I do not believe that is my responsibility, and I have no intention of doing so.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** May I ask a supplementary question. Counsel was appointed in the person of Mr. Martineau. Who laid the information? What date was it laid? How was it that the prosecutor himself, specially appointed to look after this, had no knowledge of the laying of the charge?

**Mr. Chevrier:** In so far as the last part of the question is concerned, I cannot accept that as being factual; because I have before me a statement which appeared in the Toronto *Star* of November 2, quoting Mr. Martineau as follows:

> Today Mr. Martineau told the *Star* that all he said was, if the minister said a charge had been laid, it must be correct.

**Mr. Diefenbaker:** He said it had not been.

**Mr. David Orlikow (Winnipeg North):** Surely the house is entitled to know whether a charge was laid, before whom the charge was laid, on what date the charge was laid, and whether or not a warrant for Mr. Banks' arrest has been issued.

**Mr. Chevrier:** Well, Mr. Speaker, a number of those questions have already been answered. The charge was laid in Montreal. It was laid against Mr. Banks. It was laid on October 23, and on October 31 search warrants were issued arising out of these charges. In so far as the last part of the question is concerned, I do not believe it is in the public interest to give that information.

[*Later:*]

**Mr. H. A. Olson (Medicine Hat):** I wanted to ask the Minister of Justice if a warrant has been issued for the arrest of Hal C. Banks,

and whether any attempt was being made to apprehend him. Apparently, however, the minister takes the view that this information is not in the public interest. I think it is. I think it is necessary for the Canadian people to know this matter is being pursued.

**Mr. Chevrier:** I have indicated on two occasions now that I do not believe it is in the public interest to answer that question.

**Mr. Woolliams:** A supplementary question. Surely it is in the public interest to ask why Banks was not arrested.

**Mr. Speaker:** Order. It is not in order to argue with a minister who declines to answer a question.

**Mr. Woolliams:** I was not arguing. I am asking a supplementary question; why Banks was not arrested?

**Some hon. Members:** Order.

**Mr. Chevrier:** Mr. Speaker, you have already declared that question out of order.

**Mr. Woolliams:** I rise on a point of privilege, Mr. Speaker. With the greatest respect, I should like to hear from the Chair why that question is out of order, except that the minister is hedging?

**Mr. Speaker:** I could take ten minutes to give detailed information to the hon. member, but I do not propose to hold up the house. If he would look at page 147, citation 171 of Beauchesne's fourth edition, he would find a complete and detailed answer.

[*Later:*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I would like to ask a question of the Minister of Justice. Would the minister know where Hal Banks is at this moment?

**Mr. Speaker:** The hon. member for Wellington South.

**Mr. A. D. Hales (Wellington South):** I will leave my question until tomorrow, Mr. Speaker.

[*Later:*]

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I direct a question to the Minister of Justice?

Is it true that the government does not intend to give effect to the recommendations of the Norris report, because Mr. Banks is a friend of the Liberals at election time and a subscriber to their campaign funds?

[*Text*]

**Mr. Speaker:** Order. This question is obviously out of order.



[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I direct a question to the Minister of Justice?

Last Thursday the Minister of Justice stated that charges described as charges of assault, therefore criminal offences, would be laid against Hal Banks; how can the minister account for the fact that today it is not in the public interest to disclose whether a warrant for arrest was delivered against Hal Banks?

It is absolutely compulsory, when the Minister of Justice lodges a complaint for assault against an individual—

[*Text*]

**Mr. Speaker:** Order, please. This is repeating a similar question in another way, and is out of order.

## REFUSAL OF U.S. WORKERS TO LOAD CANADIAN SHIPS

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would like to ask the Minister of Labour if he is in a position to give a report to the house respecting the picketing of the unloading of Canadian ships in Chicago over the week end; whether there has been any communication with Washington in the last couple of days in this regard, and also whether there is co-operation on the part of Washington in preventing this injustice to Canadian ships.

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, I have not received a report directly with respect to this incident, which I shall attempt to have investigated as quickly as possible. With respect to representations to Washington, this is a matter for the Secretary of State for External Affairs.

**Mr. Diefenbaker:** Then I ask that minister whether in the last two days he has been in communication with the administration in Washington regarding the blocking of the unloading of two Canadian ships, the *Col. Robert R. McCormick* and the *Mondoc* at Chicago where longshoremen refused to cross a picket line.

**Hon. Paul Martin (Secretary of State for External Affairs):** I have been in touch with our embassy in Washington, and I am waiting for a report on this matter.

*Inquiries of the Ministry*

## CANADIAN BROADCASTING CORPORATION

SUGGESTED CENSURE RESPECTING CERTAIN POLITICAL BROADCASTS

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to direct a question to the Secretary of State.

Is the Secretary of State aware of an alleged censorship imposed by the Canadian Broadcasting Corporation upon certain political matters, separatism for instance, and does he intend to hold an inquiry into this matter? Would other matters be also censored by the Canadian Broadcasting Corporation?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, as I have said on previous occasions in the house, it has never been the view of any government, I believe, that the government is an appropriate body to censor broadcasting, and I hope we never have government censorship of broadcasting in this country. Successive governments have appointed eminent citizens to be the governors and directors of the broadcasting corporation and the responsibility for what is broadcast is on their shoulders where it should be. In my view they should be held accountable to the whole of parliament and not to any part of parliament for the discharge of those functions.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I wish to ask a supplementary question.

Does the Secretary of State intend to convene the sessional committee on broadcasting this year during this session?

[*Text*]

**Mr. Pickersgill:** I believe there is no sessional committee on broadcasting under our standing orders, and it would appear to me that there is so much work going on in committees at the present time that there would hardly be room for an additional committee at this session. But I do hope to have the approval of my colleagues to recommend that at the beginning of the next session we should have a select committee on broadcasting set up.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. C. S. Smallwood (Battle River-Camrose):** Since November 11 is just one week away, Mr. Speaker, I should like to ask the Prime Minister whether the Liberal member for Lotbiniere was stating government policy at Drummondville last Saturday night when he said that Canada should end the monarchy, as stated in the report in this morning's Montreal *Gazette*?



**Mr. Speaker:** I am not sure that this question is in order. If the hon. member were referring to a statement made by a cabinet minister then he would be entitled to ask the Prime Minister for an explanation, but not with regard to a statement by a private member.

## SUGAR

REPORTED STATEMENT RESPECTING REASON FOR PRICE INCREASES

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to ask the Minister of Justice if his attention has been drawn to a statement by Mr. Arthur E. Beeby, executive vice president of Salada Foods, to the effect that the recent series of increases in sugar prices cannot be explained on the basis of supply and demand; that there is no world sugar shortage, and that the rising cost of this staple food item on world food markets is not the result of demand but of speculators. I wonder if the minister would care to comment on that statement.

**Mr. Speaker:** Order. Is the hon. member asking a question for information or is he giving it?

**Mr. Howard:** I am glad you asked me that, Mr. Speaker. I am asking a question for information. I do not have any high hopes of getting it from the minister in view of his previous answers to this question, but I will try.

**Hon. Lionel Chevrier (Minister of Justice):** I have not seen the statement, and in order to comment intelligently upon it I think I should be given the opportunity of seeing it.

In so far as the hon. member's statement is concerned that he has received no replies to questions put to me with reference to sugar, let me tell my hon. friend that this is a matter which falls under the jurisdiction of not one but several departments. In so far as the Department of Justice is concerned, it falls under its jurisdiction in connection with the Combines Investigation Act. In so far as that act is concerned, there must be proof that there has been a combination or a merger to increase the price. There is in existence, as I indicated to my hon. friend some time ago, a court order in Montreal enjoining not only certain eastern sugar refineries but their directors as well from fixing an increase in prices. All that needs to be done is

to invoke that order, provided it can be established that there has been a fixing of prices.

**Mr. Howard:** Is it not a fact that such enjoining or prohibiting orders are not as good as the paper they are written on, because they can be gotten around by any corporation which so desires?

**Mr. Pickersgill:** This is just a speech.

**Mr. Howard:** This is undoubtedly what has happened in this case.

**Mr. Speaker:** Order. I do not wish to be on my feet continuously giving lectures to the house. Statements should be short, concise and to the point. However, one way not to ask a question is to start with "Is it not a fact?"

## WORLD FAIR

### INQUIRY AS TO PAYMENT OF PRELIMINARY EXPENSES

On the orders of the day:

[*Translation*]

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

Is it the intention of the federal government to pay to Mr. Dupuy the $275,000 he has requested in a letter to the government in order to meet the expenses incurred, from September to October, for work done on the 1967 world fair site?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, all requests coming to us from the world fair authorities are considered and when it is possible to carry them out, we do so without delay. My hon. friend can be assured that the same policy will apply in this case as in all the others.

**Mr. Pigeon:** If I may, Mr. Speaker, I should like to ask a supplementary question. Does the government intend to invite the 31 countries which are members of the international bureau of world fairs to hold their semi-annual meeting of May 1964 in Montreal instead of in Paris?

[*Text*]

**Mr. Pickersgill:** Order paper.

**Mr. Pigeon:** Mr. Speaker will decide, not you. Take your time.

**Mr. Speaker:** This is a reasonably important and urgent matter. If the minister is in a position to answer, let him answer. If not, he can easily take it as notice.



[*Translation*]

**Mr. Deschatelets:** Mr. Speaker, since I am responsible to the house for the world fair, I will pass on to the corporation my hon. friend's question and provide a reply as soon as I have one.

**Mr. Pigeon:** I wish to thank the Minister of Public Works.

[*Text*]

## HOUSE OF COMMONS

### REQUEST FOR RESIGNATION OF MEMBER FOR NOTRE DAME DE GRACE

On the orders of the day:

**Mr. J. H. Horner (Acadia):** I should like to direct a question to—

**Mr. Caouette:** May I ask a supplementary question of the Minister of Justice?

**Mr. Speaker:** Order; the hon. member for Acadia.

**Mr. Horner (Acadia):** I should like to direct a question to the Prime Minister.

**Mr. Caouette:** A supplementary question—

**Mr. Speaker:** Order. In order to maintain decorum in this house it is necessary that the Speaker recognize one member at a time. The hon. member for Acadia stood up first.

**Mr. Horner (Acadia):** Thank you, Mr. Speaker; it is always nice to be recognized, and now I should like to be heard.

I should like to direct a question to the Prime Minister. In view of what happened in 1953, when the Liberal member for Qu'Appelle resigned because he had violated the spirit of the law, is it the Prime Minister's intention to ask for the resignation of the hon. member for Notre Dame de Grace who, according to the Montreal *Star*—

**Mr. Speaker:** Order. This question is definitely out of order.

**Mr. Horner (Acadia):** I rise on a question of order. It is not out of order. It is a very urgent matter. The Montreal *Star* points out that according to the MacKay report the hon. member for Notre Dame de Grace acted in a way detrimental to the taxpayers, the very people who elected him. I think he has no alternative but to resign.

**Mr. Woolliams:** They want to hide the facts.

**Mr. Speaker:** I understand the purpose of this question, and I am sure all hon. members will appreciate the situation in which I find myself in having to deal with this question and rule it out of order. However, according to all the parliamentary authorities this is not a matter concerning any activity

inside the house, but is a matter which arises outside the house. We cannot go back into the past history of all hon. members at the present time. At the time these events took place the hon. member was not a member of parliament, and for this and several other reasons I must declare the question out of order.

**Mr. Horner (Acadia):** I would agree with that, Mr. Speaker, but I would like to point out that at that time he was representing the taxpayers on the city council, which is nearly as bad.

## INDUSTRY

### CONSIDERATION OF FRENCH CANADIANS IN DEPARTMENTAL APPOINTMENTS

On the orders of the day:

[*Translation*]

**Mr. Gerard Chapdelaine (Sherbrooke):** Mr. Speaker, may I ask the Minister of Industry a question?

Since a high position recently became vacant in his department, could the minister state whether he intends to take into consideration the fact that some French Canadians have the required qualifications to fill that vacancy?

[*Text*]

**Hon. C. M. Drury (Minister of Industry):** Yes, Mr. Speaker.

### TRENTON, N.S.—REQUEST FOR ORDER FOR RAILWAY CARS

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** Mr. Speaker, may I ask the Minister of Labour if he is now in a position to answer the question I asked him on Monday last?

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, the answer is yes, and the requests that were contained in this communication will receive and are receiving careful consideration.

## PUBLIC WORKS

### REPORTED CONTRAVENTION OF ELECTION ACT BY MINISTER'S ASSISTANT

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Minister of Public Works. Is the minister aware that his executive assistant, the former member for Rimouski, is listed in sessional paper No. 1B, tabled by the Secretary of State, as having broken the law in that he failed to keep certain sections of the Canada Elections Act? Will the minister look into this before the Minister of Justice or the Secretary of State lays charges against him?

[Mr. Speaker.]

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, I am not aware of this. I am going to inquire and report later on.

## SUPPLY

**Hon. Walter L. Gordon (Minister of Finance)** moved that the house go into committee of supply.

### LACK OF MEASURES TO DEAL WITH UNEMPLOYMENT

**Hon. Michael Starr (Ontario):** Mr. Speaker, at this time when there is an opportunity for the opposition to move a motion of non-confidence, I rise to bring your attention and that of all hon. members to a very serious matter. It may be that the succession of balmy days and unseasonable warm weather of the past few weeks has lulled some of the members of the treasury benches into ignoring this situation, and has dimmed their eyes to the fact that winter is just around the corner. As various members of the government go about their business in the bull ring, down in Washington, or possibly New Orleans and elsewhere—wherever duty calls them—it may be they have forgotten winter brings special problems in this country.

We have waited for quite a number of weeks, indeed months, to see what positive and definite action the government was preparing to take in respect of this matter. We are now in the first week of November, and the government has failed and is not prepared to deal with winter unemployment, or indeed with unemployment as a whole. It has become quite evident that since the government took office it has failed to deal effectively with this very serious problem. It has not brought forward any measure that would have an immediate effect upon winter unemployment, or unemployment as a whole.

During two successive election campaigns members of the government promised full employment. They promised this when they were in opposition also, and I refer first to the Secretary of State for External Affairs, who said at Inkster, Manitoba, on February 25, 1963, that, "the biggest domestic issue is unemployment." Again, speaking at Montreal on March 6, 1963, he said:

> The first objective of a Liberal government would be to initiate a mass program of economic development to increase income, expand social progress and to reduce unemployment which he described as the most serious problem facing the country today.

**Mr. Benidickson:** It has gone down.

**Mr. Starr:** This was one of the prime concerns of the members who now occupy the treasury benches. The Minister of Finance, speaking on this subject at Windsor, Ontario, on February 28, 1963, said:

An average of 250,000 new jobs will be needed annually in the next four years. This figure is 2½ times greater than the average provided during each of the last six years.

Again on the same date, in the same city, he said:

One of the objectives of a Liberal government will be to straighten that (unemployment) out.

Some of those who now sit on the treasury benches do not seem to have looked at the subject in the same light, because we have the Minister of Trade and Commerce saying at Vancouver on February 25, 1963:

Canada can never eliminate unemployment.

He went on to say:

People who say that we are going to eliminate unemployment simply don't know the country.

I do not know whether they have since got together on this subject, but since then we have not heard a word from the members of the government, either inside or outside the house, respecting this serious and important matter. In other words, they have lost interest in the situation.

Someone, I think it was the Minister of Mines and Technical Surveys, interjected a moment ago that unemployment is down. That is right. According to the d.b.s. statistics there were 10,000 less unemployed in the month of September as compared with September last year, but in percentages this means that last year we had a figure of 3.9 per cent of the labour force unemployed, while this year it is 3.7 per cent.

Surely the members of the government are not taking credit for something they have not done anything about? Surely the Minister of Mines and Technical Surveys will agree that whatever policies were instituted by the former government are now bearing fruit? It is very brazen on the part of the government to take credit for a very small decline in unemployment, particularly in the face of its inactivity and failure to do anything about unemployment. But we are not in the winter months yet. However, I will deal with that matter as we go along.

What has been done by the government to deal with winter unemployment in particular? First of all, the Minister of Labour made a statement to the house, reported on page 821 of *Hansard* for June 10 of this year. In the body of his statement he said:

The stimulation of employment and the reduction of unemployment are major problems which the government is determined to tackle vigorously.

Then he went on to show how the government intended to tackle those problems vigorously, and the minister set out some nine points. Let us look, Mr. Speaker, at the bright new ideas which this new Liberal government had for tackling winter unemployment. First, training of the unemployed. That was an unheard of policy. This had never happened before. They had forgotten that we undertook this policy in 1960 in co-operation with the provinces; that we increased our proportion of the cost from 50 to 75 per cent; and that the number of people trained in Canada had multiplied ten times since that time, owing to this policy. But the government said that this was a new and bold step toward eliminating unemployment, and also seasonal unemployment, and they were to do it by increasing from 75 per cent to 90 per cent the federal share.

Second, training of unemployed workers. That involved an amendment to the Technical and Vocational Training Assistance Act. This was again something new, bold and imaginative. All the government did was to take advantage of the facilities provided by the former government, which enabled new schools with a 139,000 student capacity to be built in the country to train young people.

Third, re-employment of older workers. The minister stated at the time that the program would be enlarged upon and all the details worked out. Well, Mr. Speaker, the details have been worked out now and those in charge of policing the matter are having a difficult time. The policing of those who hire workers aged 45 and over for a certain period of time, for which they are recompensed at $75 a month, is proving to be an almost insurmountable obstacle to overcome. This is nothing but a gimmick. It is a gimmick which probably will not work and which probably will not give benefits to those who actually need them.

Capital assistance for technical training facilities was the fourth idea. This has been going on since 1960, when we passed the Technical and Vocational Training Assistance Act, which has had a great deal of success.

The fifth item was technological change and manpower development. We introduced a bill into this house which never passed owing to the obstruction of the Liberal party which was then in opposition. They have now done away with this bill and are going to tackle the problem through agreements with the provinces.

Another new gimmick was number six, the only new gimmick outside of the hiring of older workers, namely the promotion of winter house building. A $500 bonus is to be paid if a house is built during the month of December, through March, inclusive. Well, it remains to be seen how much employment this will bring about.

The seventh measure was supplementary federal government winter construction. What does that amount to? The amount of $7 million is being provided for this. How many new jobs will $7 million provide in this country of ours?

*Unemployment Measures Lacking*

Then number eight, the extension of the municipal winter works incentive program. Here is a program which the Liberals used to call peanuts, a bagatelle, when it was first introduced in the house. This is the program that stimulated over $1 billion worth of projects undertaken by municipalities. This is the program that, on average, in the last two years gave temporary employment during the winter months to some 150,000 Canadians each and every winter for the past two winters. The government say they are going to extend the winter works program. The Prime Minister (Mr. Pearson) said in Moncton, New Brunswick, on February 27 of this year, when he was vying for votes across Canada:

> A new Liberal government would create jobs where they are needed, through municipal winter works, and would have to step in and do more than what has been done in the past in this field.

Well, Mr. Speaker, what have the government done? They have increased the amount of money which could be paid to the municipalities for the construction of a municipal building from $50,000 maximum to $100,000. But what did the government do on the other hand? They cut down the program by six weeks. These are six of the most productive weeks for the municipalities, because of the heavy winters in certain parts of the country. They are six weeks which the municipalities begged for; the former government was willing to co-operate and granted them the six weeks, but now this government cuts them out. This is what they mean by extending the program. This is what they mean by providing more employment. This is not working in the right direction but in the wrong direction. By doing what they are doing they are curtailing the activity of those who might be usefully employed in the winter months. In fact, they are creating unemployment in the winter months as a result of their policy.

This, Mr. Speaker, is just about the gist of the whole program they have put before the people. They played it up, framed it and made a great hullabaloo about it, which actually means nothing more from the point of view of new jobs than that undertaken in the past. In fact, it may have the effect of curtailing the whole program.

The municipal loan fund was introduced in this house, and the government made a great play about it. As a matter of fact, when the Prime Minister spoke to the mayors and municipalities at the time, he said in as many words to the municipalities "Come and get it; we are going to give you $400 million". Well, Mr. Speaker, the provinces came to Ottawa and told the Prime Minister how they wanted to get it. It was not in the way the Prime Minister wanted to give it, but they told him how they wanted to get it, and they got it. This loan fund, as I mentioned earlier, has been built up as an instrument to create some 30,000 jobs a year. I say to you right now, Mr. Speaker, that this is nothing but a hoax, a hoax perpetrated with the aid of newspapers and periodicals and advertisements. However, this fund is good for the municipalities, not for the creation of any new jobs. This is going to give municipalities loans they would normally get in the conventional market, but for about one half of 1 per cent less than when they issue ordinary debentures. It also gives them an advantage because there is a forgiveness clause. But will they undertake any new projects as a result of this loan? I say that because of their financial structure, their financial position and the per capita debt they have now incurred, they are not prepared to undertake any new projects other than those that are absolutely necessary and which have been planned and are now on the planning boards. I understand the city of Toronto are going to take some $40 million for the construction of an addition to their subway system. This addition to the subway system is nothing new; it is a continuation of a plan which has been in existence for years, and they would have undertaken this work regardless whether this municipal loan fund had been put into effect by the government or not. They would have borrowed the money in the regular, conventional market from which they had borrowed previously. However, they are going to get it at a cheaper rate, and when they have completed the work in a certain period of time, under the forgiveness clause they will get back 25 per cent. But it will not create any more jobs than would have been created in any event. I venture to say that the whole $400 million will not provide more than a handful of new jobs.

The municipal winter works program has stimulated a great deal of work in the municipalities, and it is a program which they welcomed. This program has brought about over $1 billion worth of projects in the last five years, and as I mentioned earlier has provided jobs over a period of some 45 days average, to some 150,000 Canadians in the past two winters. But this program the government has taken upon itself to do away with to quite an extent; it has decided to curtail this activity.

From the statements made by the Minister of Labour (Mr. MacEachen) and the Minister of Finance (Mr. Gordon) there is some doubt in the house whether the municipal loan fund will be available to municipalities who will participate in the municipal winter works incentive program. When each minister was

questioned separately he gave a somewhat different answer, but when both were questioned in the house and the answers compared I notice that the Prime Minister had to come to their assistance and make up his mind about this policy. The Minister of Labour stated at that time that those who participated in the municipal winter works program will also be eligible to apply to the municipal loan fund to finance those projects.

The government has gone about this business of applying policies meant to provide employment—in essence our policies—in a way which makes them what is commonly known as Indian givers. Let us take the municipal winter works program as an example. They have increased the building amount from $50,000 to $100,000 but they have cut back the program by six weeks. In addition, they have placed a 4 per cent sales tax on the building materials which the municipalities are to use. They give with one hand and they take away with the other. Another example occurs to me in connection with housing. They offered a $500 bonus for each new structure completed in the winter months. At the same time they have imposed a sales tax on the building materials to be used in the construction of these houses. The same is true with regard to the plan for the expansion of our industry, in which everybody seems interested. In this field they have imposed a sales tax to be used on the machinery necessary before this expansion can take place. Instead of creating jobs hon. gentlemen opposite are doing their best, it seems, to curtail them—and it has all been done by careful planning and by design.

Let us consider another area in which the government has intervened. They adopted the provision we made relating to auto parts and made a few minor changes. Then they tried to sell the idea to the United States. They went to Washington. Not only were they unable to sell their own scheme but they almost succeeded in reversing the results which we had been able to achieve. In this connection, I should like to refer to the *Financial Post* of November 2 in which it is stated:

> Already the first auto parts export incentive program, based on duty remission on imported automatic transmissions and engines has raised exports markedly. The increase was from $26.7 millions last year to $35.3 millions this year.

This program was well on its way to success. It had been accepted by the automobile manufacturers both in Canada and in the United States. There were no protests from the government of the United States. There were no complaints. Why is it that this government, involving itself in exactly the same area as we had explored, should get itself—and not only itself, but Canada—into a great deal of trouble? I think the answer is plain. It is because the present government has been unable to produce a practical, common sense program which would appeal to business, to the provinces and to our neighbours in the United States. They still have the arrogant attitude of past Liberal governments—the attitude that no one knows except themselves. They still think there is no need for consultation, that all they need to do is to issue statements from Ottawa and everyone will jump. Well, everyone is not jumping these days. The provinces are jumping, it is true, but they are jumping in protest. It is time they began to retrace their steps and started it again in a common sense way, as should have been their approach in the first place.

I think the reason for the present situation is that the government are relying on theory and on textbook economic schemes which have little or no relation to reality. This shows everything they have touched. They have rushed in, and then they have backed out, leaving the mess lying around. Some of the most important things on the agenda have been left in abeyance. These are the promises which were made during election. It is true they want to give a little time to them, to show they intend to keep them. But in reality these schemes are unworkable. I say it is time this government got back to common sense in its administration. The provinces have the right to expect this. Business, industry and labour have the right to expect it. And, finally, the Canadian people have the right to expect it.

When we were in office we provided incentives to industry in order to stimulate production and create new jobs. If we compare the figures, it is evident that the things we did, the action we took, paid off. They gave a new impetus to the economy. I suggest the present government is still riding on the effects of that impetus and that it is brazen for any occupant of the treasury benches to say things are better as a result of anything they have done since they took office in May of this year. Nothing that has been tried by them has worked out. Nothing they have done has created new jobs.

Hon. gentlemen opposite criticized us for the measures we took to stimulate the economy and for the deficits we incurred to that end. I say, now, that this government is incurring even greater deficits. In doing so they have imposed, in the short space of time which has elapsed since May, two new taxes on the peole of this country—4 per cent on building materials and, now, 1 per cent on income tax. This has all been done in the space of six months since they took office,

and despite it they will have the biggest deficit of any government since the first world war.

Let us turn, for a moment, to what are known as the slow growth areas. During our term of office certain measures were taken in this field and no complaints were received from any of the municipalities. I understand that the organization which will now be responsible for this situation is to have 35 divisions included within 10 branches designed to promote industry and develop a multitude of measures which are now being promoted by industry itself. I want to point out that as result of Liberal policies between 1945 and 1955 there is now close integration between the economies of Canada and of the United States. This being the case, the present government would be better advised to put forward plans and programs of a positive and constructive nature which would attract the support, or at least receive the acquiescence, of the United States rather than carry out the type of guerrilla warfare we are now carrying on in this country. I invite the government to look at the facts which they themselves were instrumental in creating. I would ask for a return to realism, a return to common sense in these matters.

Finally, in view of the fact that the policies which they have produced up to now, policies which they claim are meant to deal with unemployment in this country, are proving to be self-defeating, abortive and negative, and since they have failed to produce any effective policies to deal with winter unemployment in particular, I should like to move, seconded by my hon. friend from Pontiac-Temiscamingue (Mr. Martineau):

That all the words after "that" be struck out and the following substituted therefor:

"This house regrets the failure of the government to introduce any effective new policies or programs to reduce substantially unemployment in Canada, and in particular to alleviate winter unemployment, so as to achieve the promised full employment as undertaken in the Liberal party election promises."

**Mr. D. M. Fisher (Port Arthur):** The amendment moved by the former minister of labour (Mr. Starr) is a familiar one. I imagine there has not been a year since the 'thirties when some want of confidence motion has not been produced in these general terms. As a consequence, this is a topic which has been well thrashed out and kicked around.

It seems to me the former minister of labour was trying to make a distinction along these lines: there has been some amelioration of the unemployment situation this summer, but if there is an improvement the government of which he was a member deserves much of the credit. However, he contends that the basic approach of the Liberal party since it took power has given no indication that they have any fundamental policy which is likely to solve the unemployment problem in the long term. It seems to me that if I am giving anything close to an accurate paraphrase of the gist of the hon. member's remarks he was, in effect, acknowledging that the government of which he was a member did not have a fundamental approach to this question of unemployment, and its solution. The call from almost everybody in politics, particularly at election time, is for the unemployment problem to be tackled. I suppose everyone, if they are in politics, has gone into a tremendous amount of detail in their thinking, whether it be their thinking about their own particular region or the country as a whole, in trying to respond to this particular problem.

It does not seem to me that it is soon enough to judge really whether some of the things introduced by the present government, or in the stage of being introduced, are going to have a marked effect. For example, the municipal loan fund has been called an utter hoax by the hon. member for Ontario (Mr. Starr). I think this is the kind of hyperbole you get in House of Commons debates. It may be an utter hoax, but in his analysis of it I have not really got from him just why it is an utter hoax and how he can be so positive it is an utter hoax. Yet I can appreciate his reason for making that statement. I can remember that when he was on the government side and introduced such things as the winter works program somewhat similar phrases were bandied about as to the contribution it was likely to make to the situation.

The problem that we see in the unemployment situation really relates to something to which the hon. member referred, namely whether you take a piece by piece approach to it or whether you try to make some all-out approach throwing all the resources of the government into the solution of this particular problem. It seems to me that our practice has been a very empirical one in Canada. We have tended to take a piece by piece approach. Perhaps in the light of how pieces of legislation relating to employment matters move through the House of Commons, this has seemed sensible.

One of the most disturbing things at the present time is the callousness that exists in the country about unemployment. If one happens to live in an area where there is a good situation, concern tends to disappear very quickly. I am disturbed at the present time over the situation in my own area. We have had an excellent summer. With the prospect of the big grain movement out of the west through our ports, and all the fillip that gives to the transportation industry there is a

relative optimism that I think may be unfortunate in that it is going to cause us to set aside some of our concern and worry. In other words, the edge has been taken off something that we were very conscious of right up until last spring.

In many ways I think that this callousness is bred right into the kind of society we have today. When you have a lot of people with good incomes who are enjoying a high material standard of living and who can see progress in terms of their leisure time activities and the amount of money they have to spend on cottages, vacations and dress, it seems it is very easy to forget the growing number of people in Canada who are becoming almost unemployable. It is also very easy to forget those pockets in the country where it does not seem that any of the existing programs are really going to help.

We as a party have contended for a number of years in the house that some cabinet minister needed to accept the basic responsibility for employment measures that would meet the situation. It has been my argument that it should be the Minister of Labour (Mr. MacEachen). I have always thought it regrettable that this portfolio has been considered a minor post and that the two big posts of power in the government relating to these matters have tended to be finance and trade and commerce.

We have an indication from the new government that the Department of Industry is to play a fundamental role in this field. Here again we are not exactly sure just how much stature that department is going to have, because while it is going to build up a new administrative framework of a very ambitious kind we also know that the Department of Labour is expanding its administration in order to meet other parts of the unemployment problem.

We really have no indication of the government's detailed plan in the field. This is particularly noticeable as far as we are concerned in terms of the analysis of unemployment that one finds made today by economists. They mark out structural unemployment, technological unemployment, cyclical unemployment, seasonal unemployment, short term unemployment, social unemployment, which has existed because of the difficulty in moving and the lack of mobility, and frictional unemployment. It does not really matter how you define or classify these various kinds of unemployment. The point is that it is a complex matter and that because of the regional nature of our economy and the winter season it has to be analysed as a complex. It seems to us that the response of the government needs to be co-ordinated and to be very clear, and under the direction of one person who is responsible and can answer to the house.

It is for this reason that we welcome the opportunity to have a discussion of the matter. We hope that as a result of the discussion we will have a statement, not from the Minister of Labour necessarily indicating perhaps that it is his responsibility but from the Prime Minister (Mr. Pearson) indicating where the government is planning to go. I think that the hon. member for Ontario and the official opposition may be expecting too much too soon in terms of measures to meet unemployment over all. I think that the suspicions he and his party have in their minds are naturally larger than ours partly because they have suffered so recently the frustration of losing power, but nevertheless this is very understandable when we consider the slow pace at which the government is moving with regard to the Canada development corporation.

We have had a disappearance of what seemed to be an indication in the thinking of the Prime Minister when he was leader of the opposition of something that is intrinsic to our approach to the whole problem, namely that the government through welfare services has an opportunity and a responsibility to put the kind of floor or base under the economy, and to extend it, that will encourage the kind of spending that is one of the great factors in cutting down unemployment. One of the remarkable facts that the remaining free enterprisers, who are really basic and very few today, just ignore is that the tremendous swings we used to get in unemployment have largely disappeared. Every reputable analyst I have encountered gives a great deal of the credit to social security systems, and there is no indication that Canada has overspent on its social security. In fact, one of our arguments is that a medicare scheme would be a great stimulus to the economy. We feel that the welfare state is a state that gives a basic assurance that the neglected, the poor and those who are short of talents and opportunities will not only have some kind of a base but will be living in an economy that will have a guaranteed basic level. We have had no indication from the government, however, with regard to where the whole welfare program, such things as the pension plan and medicare, may fit into their total economic approach to the problems of today.

There is another aspect of the unemployment situation that would be funny if it were not so paradoxical. I can point this up best by the reaction to the announcement in connection with the frigate program. Everyone who comes from an area where there is a shipyard that likely would have prospered

from the frigate program is very much concerned over the cancellation of the program. When there were indications that the air base in Prince Edward Island was going to be reduced or its whole role perhaps changed, people got worked up. The other day we had a notation here in a debate about the airport at Penhold, Alberta. From the taunts that were thrown at the hon. member for Red Deer by the prairie members of the official opposition, I would assume they were taking the attitude that somehow he was letting the side down by not going along with the plea that the Department of National Defence had a responsibility to extend its plans along these lines, because of the basic jobs that would be offered in the area, even though the program itself might not be defensible as a defence project.

Now, all of us tend to be guilty of this concern with our own area and the jobs there. But there is a fundamental difficulty that we have not had pointed out to us by the government in connection with this problem. Where does the government figure defence spending fits into its economic plan and its pursuit of full employment? It is quite apparent that defence spending gives an underpinning to the economy of the maritimes, and it is very important to the maritimes. The question is, if this defence spending is not effective in terms of defence systems, is it worth while continuing it just to keep that underpinning there? I have heard some dreadful stories about the efficiency of the naval shipyard in Halifax. I have heard some terrible stories about the situation on some of our defence bases, particularly in the maritimes, in terms of the actual work that is carried out. Yet, these bases and these jobs seem to be fundamental to the confidence of the economy in that part of the country.

It seems to me that this is a typical example of our shortsightedness. I think we need these jobs in the maritimes, we need the work for the people there. We should not make the determination on the basis of keeping bases going that might not be useful, but make the determination on the basis of the over-all responsibility of this federal government in this field.

Now, Mr. Speaker, everyone has had the experience, I think, if he has been a member of parliament for a few years, of the kind of pressures that come when the government, or any government agency, indicates that a number of employees are going to be laid off. I know that I get telegrams from Moncton, Transcona, my own constituency, Vancouver and the prairies, in connection with any layoffs on Canadian National Railways, a government agency. This points to the fact that so many people in Canada, including members of parliament, respond to this feeling that there is an onus on the government of Canada to keep this kind of thing going in order to keep the job situation from getting worse.

I point out to all hon. members that we are caught in a paradox when we do this kind of thing. When I respond to the word that 100 people have been laid off from the shops at Transcona, I want to know why. The fact of the matter is that we are not sure, and we should be sure, what the total responsibility is that the government will accept in matters such as this. I suggest that in the area of defence spending, particularly on bases, and through bases to the jobs they create, as well as government agencies such as the Canadian National Railways, through the direction of government spending on such things as Department of Transport ships and the kind of contracts the government can let for construction, we should have some kind of master plan to indicate that we are going to approach the matter for the good of the whole country rather than just try to meet each little area problem by some kind of short range solution.

One of the other facets of the unemployment situation for which I think the hon. member for Ontario deserves both credit and —I will not say blame, it is not quite blame —relates to the vocational and technical training program. Certainly, the former minister did not foresee what the consequences were going to be when he introduced this scheme which provided for a contribution towards the capital costs of vocational and technical schools across the country. I do not believe the government ever realized that there was going to be such a tremendous response as there was, particularly from the province of Ontario. As I recall the situation, more federal money was taken up in two years by the provinces than the minister had anticipated would be taken up in ten. No doubt this is a mistake in forecasting, but one of the consequences is that all across Canada, particularly in Ontario today, we have a new group of schools most of which are serving students of the secondary age. I say "age" here rather than secondary school field because they do have a concentration upon composite schools and upon shops.

In many of these schools there has been established an adult training plan to educate people both in the evening and during the day. This is supervised to a degree, or at least planned and encouraged by the national employment service in co-operation with the local school boards. But here again, Mr. Speaker, we have no clear-cut plan. No one really seems to know the efficacy of such training as is taking place. I have talked to a number of people who have taken welding.

We now seem to have a surfeit of welders in most parts of the country, largely because this is an easy course to teach. When I say "easy", I mean it is easy in terms of instructors and the cost of teaching. However, no one has come up and set any standards. They seem to vary from one region to another, one community to another and one province to another. There is no clear pattern right across the country as to how we are meeting the challenge of unemployment. These people, when they are taking the courses are provided with the equivalent of unemployment insurance. There is a good response, initially, to many of the courses.

However, we have no indication at all that they are really effective. We have no indication at all that the people who are trained really move off into the field for which they were trained. Many of us have a suspicion that many of the courses are a pleasant form of welfare, and we are not sure that this is a form of welfare that has, going along with it, the real objective that should be part of a program, that is to elevate the skills of our people across the whole country.

Here again, we have not any federal agency of education. It is certainly arguable, in view of the prejudice that exists on this subject, particularly in the province of Quebec, whether we are going to have one. Considering the fact it is recognized now that unemployment is linked with our educational system, it seems to me that we can gain two advantages out of an educational program. The first would be to lift the level of skills across the country, and the second thing we would get from it is the psychological satisfaction there would be on the part of those people who are part of the work force if they knew that the quality or calibre of the training they were going to get was likely to have some recognition right across the whole country. At the present time, nothing like this exists and as a consequence we cannot say there is any educational officer in the federal government who has a picture of what these training programs are doing. There is not any official in the federal government who can tell you what has been the consequence of this massive building program that was followed out under the Technical and Vocational Training Assistance Act.

I have been involved, Mr. Speaker, in the problems of the railroad community. Over the past decade railway workers have gradually shifted and changed from being one of the most confident and optimistic groups of workers into one of the most pessimistic. They have tried, and are still trying, through their union organizations, to take a number of steps to give people greater security in the face of the technical changes that are occurring such as the master agency, centralized traffic control, terminal runthroughs, and a lot of other different phrases used by the railroads. I understand that on the northern line of the Canadian National they are running some freights with as many as 280 cars, that is 280 box cars. When you realize that a decade ago a 60 car train was quite a sizeable train, you can see the scale of the improvement in productivity, you can understand better the impact upon the railroad workers.

Well, in the past railroaders have tried to meet these things in their negotiations with the railways by a definite fund that will, as a result of the contributions of a certain small percentage, help those people who are separated from those jobs. But again this has been supposedly in effect for a year, and it has not been nailed down as yet. We happen to have a discussion going on at the present time in a microcosm of this house on what responsibilities the railways should bear in the separation of people from their employment after many years in it, and the responsibilities for retraining, movement of personnel, and the loss of real estate values to someone in a community whose whole economic basis disappears.

Again it seems to me the trade unions and the railways are approaching this realistically from the point of view of their own interests. The trade unions want very much that the railways should accept these responsibilities, and of course the railways are backing away from this and are saying this would discriminate against them as an industry, and that really the responsibility lies with the government. Of course basically this is what the trade unions come back to, because if the railways are not going to be forced into accepting the responsibility, then the unions say the government should.

If the government should accept the responsibility in this particular case, as I believe it should, then we need to fit that into a much larger picture. The unemployment that has been caused by technological change is the most disturbing of all to the Canadian people. I repeatedly find in areas such as pulp mills, in the woods, on the railways and in shipping, where technical improvements have cut out so many jobs, that the workmen who remain have lost confidence and begin to feel insecure. Those who lose out cannot really understand it.

I might mention I had a letter the other day from a man who said we could solve our unemployment problems by simply forcing the railways to run trains no longer than 40 box cars. This of course is in the spirit of the people who tried to break up looms early in the industrial revolution. Today we have a

more enlightened response than that kind of suggestion, but we have not had any indication that the present government, or for that matter the previous government, has any real appreciation and any real plan for it.

In case my friends in the official opposition object to that, I will acknowledge there was a bill before us last session, which was not passed, but which set out to do something like this. However, I looked at it very closely, and it was a mystery. Indeed the foreshadowing of the debate we had on it was even more mysterious. It did not seem to me that the former government revealed it really had a clear analysis of the impact of technological change on the work force, nor that that particular measure would have done a great deal to meet the over-all problem.

We feel that this is the most crucial part of the unemployment problem today; that the rate of automation and technical change, which is going along almost imperceptibly, particularly in our primary, basic industries, is just tearing the heart out of the old job creation picture which we had. Small communities throughout the country are crying for secondary industry because they think it will work some magic, and each community is willing to outcompete another in terms of tax concessions, free land, and things like that in order to attract secondary industry.

The government has taken its own step through the creation of the Department of Industry, which might do something about this particular problem; but generally it has shown no indication that the problem of technological unemployment, usually caused by the introduction of labour saving and labour changing methods, is of great concern to it. This is the area in which we believe the lead should be given.

Mr. Speaker, I move, seconded by the hon. member for Winnipeg North Centre:

That the amendment be amended by inserting therein, immediately after the words "winter unemployment", the following words:

"and also the failure of the government to propose any plans for the fundamental economic and social changes required to deal with the chronic and growing problem of unemployment caused by automation and technological change,"

So that the amendment as amended would then read:

This house regrets the failure of the government to introduce any effective new policies or programs to reduce substantially unemployment in Canada, and in particular to alleviate winter unemployment, and also the failure of the government to propose any plans for the fundamental economic and social changes required to deal with the chronic and growing problem of unemployment caused by automation and technological change, so as to achieve the promised full employment as undertaken in the Liberal party election promises.

[Mr. Fisher.]

[*Translation*]

**Mr. Marcel Lessard (Lake St. John):** Mr. Speaker, I am happy—this is a way of speaking—that the house is given the opportunity today to deal with the unemployment problem which is prevailing in Canada at the present time. And this opportunity is due to the former minister of labour, the hon. member for the riding of Ontario (Mr. Starr).

While I was listening to the amendment he was moving, I was reminded of this famous sentence which served as a political slogan for the Conservative party during the 1958 election campaign: No one shall suffer. And I notice that the Leader of the Opposition is in the house at the present time.

Mr. Speaker, when I consider that after six years of Conservative administration and six months under the present Liberal government, the situation is still the same, if not worse, I cannot but think that our poor unemployed in Canada have given rise to a lot of talk, but that very few positive steps have been taken in this house to settle their problems,

But, Mr. Speaker, is it possible here, in this house, to take steps to halt unemployment?

As the saying goes:

Grasp all, lose all.

Well, I believe that this government have simply grasped all when they decided to invade fields which are under provincial jurisdiction, and they are now feeling the consequences.

I am one of those who believe that provincial and municipal governments are the administrative bodies best suited to solve the problems of employment and economic development in this country.

Mr. Speaker, we have been told about planning. Well, in that field also, it is impossible for the federal government to implement a successful planning unless they make sure first of the full and complete co-operation of the provincial administration. This is the reason why I say that the federal government should not consider imposing planning. On the contrary, it should consider first giving back to the provinces the sources of revenue which they need, because they alone are in a position to solve the unemployment problem and to provide the economic development needed in our country.

We have seen the Conservative government during the previous six years initiate a winter works program which seemed at the beginning to have a chance of meeting with some success.

Well, after six or seven years of experience, we are now in an absolutely desperate position where the municipalities can no longer

use that process as a result of the heavy debts which they have incurred in that connection.

It must also be considered that the regulations in effect when this system was set up was altogether discriminatory to the various areas of the country, since it did not take into account the climatic conditions and favoured the regions blessed with a good climate at the expense of others.

It should be pointed out to the house that the more northerly areas of our country could not benefit from the same advantages as those located in a better climate.

I think that we are faced at present with a dead-lock and I am convinced, like most Canadian people, that this formula was nothing but a poultice which provided no solution to the problem and did not serve its purpose.

Those who advocate the carrying out of extensive public works as a solution to unemployment may seem to be right, but I feel that this formula is objectionable in that it takes over by means of taxation the taxpayers' money and savings in order to invest them in projects and programs that are mostly unprofitable, and by this I mean that they are not productive nor self-supporting.

Mr. Speaker, in view of the economic philosophy of our two old traditional parties, I feel it was a mistake to believe that deficits and large scale public works would stimulate the national economy. In my opinion, it is only through industrial investments that we will solve the problem.

I feel that the two traditional parties must admit that the formula they both supported has resulted in failure and that they must look for new solutions.

We have advocated the establishment of a municipal development and loan bank but the government has converted that idea into a municipal loans fund which will slightly improve the situation but which will not solve the problem, far from it. It will increase the municipalities' indebtedness even if the government promises to write off 25 per cent of the costs if the work is completed within a certain time.

Mr. Speaker, a short while ago, we heard a summary of the promises made by both the Liberals and the Conservatives during the last election campaign.

Both had pledged and are still promising to settle the unemployment question. They promise full employment through the creation of 200,000 jobs every year.

I think that in order to create 200,000 jobs, they must bring about a drastic change in their concept of the economy of our country and recognize that here, in the hub of the country, they necessarily cannot have a complete view of the needs of the various regions of our great Canada and that it is very urgent for them to rely on provincial government institutions.

That must be the basis, Mr. Speaker. I believe in it and I am more and more convinced that I shall not be the only one to hold that opinion.

As for us, in the province of Quebec more particularly, we have in the past advocated that the provincial government should have its own sources of revenue, taking into account its inherent responsibilities.

The Union Nationale government wanted its autonomy. We now have a Liberal provincial government and it also wants its autonomy. I think that when the conference is held here in Ottawa, at the end of November, this government will have a rough time with the various provincial governments which will come here, fortified by a clear cut and definite mandate which was recently renewed for nine provinces out of ten and gang up on a newly elected minority government to have their demands granted.

Mr. Speaker, I think it is time, today more than ever, for the federal government to realize that the provinces, 100 years after confederation, have the administrative structure and the qualified people to assume the responsibilities which have been vested in them through the confederative pact.

It becomes increasingly necessary that the federal government should recognize that situation and waive some of the responsibilities that it has seen fit to assume during the past 20 years, when the provinces were not able to assume those rights and responsibilities. The federal government therefore acted for them at the time.

Now the country is developing and the provinces feel that they are able to act on their own. Under the circumstances, the federal government must therefore give them back their sources of revenue along with the responsibilities that go with them. As a result the federal government will be greatly relieved and in a better position to devote more and better attention to the problems which really come under its jurisdiction. It can work more efficiently with all the skills and facilities available to it, if all its efforts are concentrated on those problems that actually and exclusively fall within its jurisdiction.

The hon. member for Ontario (Mr. Starr) has mentioned earlier the technical training given to workers in order to fit them into the new jobs being created in the economy of this country.

It is a very good thing to be willing to spend large amounts of money to give our workers the technical training which is becoming more and more necessary nowadays. But I feel that

we must also remember that if we spend enormous amounts of money—in Quebec, that is what is happening in the fields of education and vocational training—we must also increase the number of jobs, otherwise we will be faced with the same situation that prevailed in the past, that is to say these men with all their qualifications and university degrees will cross the border, looking for higher salaries than those offered in this country, or they will just leave to find a job they cannot find here in Canada.

I think the only criticism that can possibly be made against the Quebec provincial government with regard to education, a field in which it has invested a considerable portion of our savings, is that it has neglected to develop at the same time our secondary industry, which could have been in a position to absorb the qualified people who are being created through education.

I am convinced, Mr. Speaker, that if we do not succeed in the near future to promote the development of our industries in Canada, we should be prepared to see our children and our brothers, as well as all the savings that will have been invested in the development of education—we should be prepared to seeing all that wealth represented by our qualified young people go abroad and give other nations the benefit of their skills. I admit that they will be wonderful diplomats, excellent representatives of Canada abroad, but that will not bring us the solution we are looking for now.

To solve the unemployment problem, Mr. Speaker, it is imperative to develop industry. How can we succeed? I recognize that the present government is making endeavours along that line, which the official opposition refuses to recognize, this of course being part of the line it has chosen. But I for one appreciated the attempts made by the Conservative government last year to stem unemployment and I also recognize the attempts made this year by the present government in that direction, for which I thank and commend it.

As far as the automobile industry is concerned, the task is obviously a ticklish one, and it indicates to the government the difficulty of the problem we are facing today. That is due to the fact that in the past no efficient measure was taken to prevent foreign control on our Canadian industries. So, today, we have to beg our neighbour to the south for permission to increase production of automobile parts in Canada.

I think this is an outrageous situation for us to be in—it is a depressing and shameful situation. We should be an independent country; or rather our country is supposed to be independent and, as such, it has no



permission to ask any foreign authority to set up industries, even though these industries might be competing against American industries established here.

The government plans to set up a Canadian industrial development corporation. At first sight, at least, such a project is an attractive one.

According to the resolution on the order paper, the government plans to provide the Canadian industry with a $1 billion fund to set up new plants, to develop existing industries and even to purchase and refloat enterprises which are on the brink of bankruptcy. However, one thing worries me about that resolution. It implies such weakness in our present system that in order to ensure the success of the program, the government has to help industrial development by lending huge amounts of money which brings about still more taxation.

Why were Canadian industries unable to develop without relying on the government's taxation system to secure funds, Mr. Speaker?

This goes to show that our present taxation system is all wrong and that it is urgent for the government to re-examine it from top to bottom, so that the savings or profits made by industry may be reinvested in other fields in Canada to promote greater development of Canadian industries as a whole.

It is not only for the sake of the industries that I should like them to have some protection but because this would enable them to keep their profits and reinvest them in other fields, thereby increasing the number of new jobs and ensuring diversified production throughout the country. Then we would be helping not only industries as such, but especially the people of Canada, since there would be more employment opportunities and, as a result, the government would increase its revenues even though taxes would be lower.

Mr. Speaker, that is one of the means—I would even say it is the only means—we have at our disposal. If we are to respect private enterprise, that is the only way we have to let private enterprise show what it can do.

Since there is a great deal of talk about ultimatums, I suggest that the government should consider the advisability of providing private enterprise, as an ultimatum, with the development possibilities it wants, but on condition that those possibilities would be properly used in the best interests of Canada and the Canadian people. I feel that the government should consider using such a method in order to solve the problem of industrial development in the country.

Of course, this corporation that the government proposes to set up involves a great danger, because we will be dealing with human beings, those who will administer this legislation and will have an instrument for patronage. It is forbidden to speak this word in the house, because while the government claims it does not dispense patronage, the previous government said the same. Yet, we have a right to have misgivings.

I suppose that this system of administration with capital will be most attractive but, on the other hand, it will help to improve the situation, to set up worthwhile industries and even to establish an industrial complex.

But, for all practical purposes, this political party will have to be watched closely because we know what its supporters can do. Certain things happened in the past and we are not ready to be taken in by the good will and the behaviour of the present government. I am willing to trust the government but on certain conditions.

I heard somebody say that there should be additional deficits. It seems that the two old-line parties are competing with one another to see which one will have the largest deficit, which one will be the first to reach a $1 billion deficit.

I remember that last year the minister of finance, who at that time was the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), said that he did not want to be the one who would have the privilege of reaching the record deficit of $1 billion in a single year. That is why if I consider the economy of the country with respect to deficits, I realize that our situation is fairly desperate.

If tomorrow another political party could replace the two traditional parties and provide a solution, I am sure that if the Canadian people could have that hope, they would immediately demand an election.

Mr. Speaker, we have to support both old-line parties for still some time, only long enough for the Canadian people to realize that there is no hope in any of them. But unfortunately, the people have not yet sufficiently realized it. However, by watching the present government and taking note of the criticisms of the official opposition, the people will realize that neither of the old-line parties offers a solution to our present difficulties.

Mr. Speaker, I conclude by making a suggestion. It is obvious that our suggestions are paid divided attention and that we are considered with some amusement. We are taken for newcomers, for inexperienced people from the north who do not have ten, 15 or 20 years of experience in the house and in the administration; but let me tell you that we come from the people who are now suffering and who have suffered in the past from the lack of understanding on the part of their administrators. I can assure you that at the present time people are desperate because they do not see the slightest hope of a solution.

I should like to suggest to this government that it turn this municipal loans fund into a bank which would accept municipal bonds as a guarantee for loans; then it would issue credit, but not credit from taxes or from a consolidated fund, but credit based on the production potential of the Canadian people as well as on natural resources contained in the ground.

That is a suggestion, and it is not the only one. Since it applies to a field which is uneconomic, I would add this: let us make the industrial development bank more flexible and get rid of that famous formula which is only a mirage, a cover to hide problems, or a bait offered to the people.

This bank would probably become an agency which would make it possible to solve a part of the problem if the government would change its managing procedures in order to provide for the necessary credits not only for industrial development but also for the establishment of new industries. Better still, that bank should be prepared to take the risk of losing 10 per cent of approved projects, but it would also succeed in setting up new industries which would expand and enable Canada to have a better place in the industrial field. It would be better to succeed in 85 per cent of projects aimed at the establishment and expansion of industries, even if there is a risk of incurring some losses.

A diversified industry would allow us to close our doors to imports and would solve the unemployment problem from which we are suffering.

There is another way which I would like to mention in order to promote the increase of capital investments in industry—and I make this suggestion not without some reserve since I did not have the pleasure of discussing it carefully with my colleagues. But coming from the working class and having worked with many of that group, I can say that it is now an accepted fact that they should not only benefit from industry in the social field, but that they should also invest in those very industries. They recognize it is their duty to share the hazards of capital investments.

Thus, it might be advisable for this government to investigate the expediency of granting a tax reduction on a certain percentage of either the savings or the salary which a worker would invest in industry through the purchase of shares or bonds. It might possibly

be wiser for them to take advantage of buying bonds since the latter would warrant investments.

This suggestion I make with all deference to the Minister of Labour (Mr. MacEachen) and the Minister of Finance (Mr. Gordon). In my opinion, they could take such a step to encourage workers to take an active part in the development of industry by investing of their own accord part of their savings.

We wish our industry to become Canadian, and this will be achieved inasmuch as Canadians individually are willing to invest in it part of their savings. But in order to do so they must have work first, they must earn wages and they must not carry a tax load such as the one we are preparing for them.

**Mr. Lucien Plourde (Quebec West):** Mr. Speaker, it is with pleasure that I take part in the debate on the subamendments and amendments that were submitted regarding the question of unemployment and more particularly since I represent a riding where the number of unemployed is high and the unemployment situation is the main problem throughout the country.

My constituents, who are working people, find it hard to make both ends meet; unemployment is really a problem that concerns everyone of us. We should try together to consider the various aspects of that problem in order to find a solution; it is all very well to say that it is one of the main problems we have to approach and that the Liberals have promised to act upon it during the election campaign.

They are being blamed today for being too slow; quite so, but I think all parties should get together in order to solve the problem. It is claimed that the Liberals have no plan whatsoever whereby they could check unemployment in Canada and that they take a long time to find proper solutions.

Mr. Speaker, if we pause in retrospect, we, who have been in this corner of the house last year under Conservative administration, may wonder whether the Conservatives had found a formula with which to put a stop to unemployment. No. They preferred putting the matter off and letting someone else bear the heavy burden that rested with them. Will this government also reject their responsibility by putting off as much as possible the day of reckoning or the time to take a definite stand regarding the unemployment situation?

Mr. Speaker, here again formulae are being suggested that will come to nothing and that will by no means solve the problem we have to tackle.

Let us consider for instance the $500 grant that has been offered for the winter building of houses; that is all very well in the opinion of our Canadian fellow citizens, but when we are aware of the fact that on account of the 11 per cent tax imposed upon building materials, every new house will cost from $800 to $1,000 more, we wonder whether the grant is something worthwhile.

In fact, who is going to pay once more? Who will have to bear the loss? Obviously the buyer of the house; he will be the loser once more and merely because an effort will have been made to provide some work in order to put a stop to unemployment.

And what about the statement made last Saturday over the radio, in Ottawa, to the effect that contractors were putting off work until December? They lay off their workers in November, making unemployed out of them. Yet, the idea was to check unemployment.

Such measures result in unemployment; they are known as yokes.

Mr. Speaker, it will no doubt be said: "But yourselves, the Creditistes, the members of the Ralliement Creditistes, what can you do?" Only Social Credit has a solution. There is no miracle involved, but we have what is needed to check unemployment, not only to try and check unemployment, but to check it. We are the ones who have this formula. We set it forth in our speeches last year, and we shall repeat it again this year. We shall explain how we would manage to check unemployment in Canada.

Social Crediters are not confused by the progress of automation. Automation does not frighten us. On the contrary, we are happy about it, and everybody should be happy, since, at last, the individual shall be able to live on earth not as a slave but as a reasonable person, as a human being entitled to every respect.

Mr. Speaker, when we look at the animals, at the birds, we find they have no diplomas and they do not worry about their next meal. They do not have to worry for Providence looks after their needs.

But we, who have an intelligence and a cultivated mind, who hold diplomas, who have a soul to save, we have to struggle with the problem of providing for our food, and that problem becomes of such prime importance that we forget why we were born.

Mr. Speaker, we should not dwell on that problem; we, too, should rely more on Providence.

The problem facing everybody today, throughout the country, is a problem of finance. There is a lack of financial means, and, because there are no financial means, there is no work. Now, when there is no work, there is unemployment. We are in a vicious circle, we run around as a dog trying to catch its tail. In brief, we are getting nowhere.

They should tell the people that they are unable to settle this problem. Social Credit has the formula to do it, and I am convinced that at the next general election, the electors of the whole country, who are in a position to judge the present attitude of the two older parties, which cannot find a solution to the problem, are going to make a thorough change and try something new. They have nothing to lose, it is true.

It would be worth while to elect a government which would enact legislation for the benefit of man who should be our prime concern. In fact, we must constantly bear in mind the ideal of our constituents; we must think about it 24 hours a day. All members must think of their respective constituents.

One thing that I cannot stand is that in a country as rich as ours—and no one denies that—we have to live as beggars and as paupers of the worst kind.

When one travels throughout Canada, one sees vast expanses of land and forest which remain undeveloped. On the other hand, certain communities have slums as is the case in my riding. Such a situation is intolerable. Our cities could stand a lot of improvement, if it were not for the shortsightedness of our governments.

Mr. Speaker, it is a fine thing to govern but what must one do in order to govern? One must be provident; that is the first qualification of any government.

Instead of providing work for our carpenters and other workers who have little education, the government has decided to impose an 11 per cent sales tax on building materials. Instead of that, it should have advocated slum removal and provided an 11 per cent reduction on the cost of all building materials to help the building industry.

If the government had acted that way, the economy would have started going again and that would have given temporary work to our unemployed.

Mr. Speaker, the newspaper *Le Devoir* of October 5, 1963 carried an article on automation. And I ask hon. members to take good note of what is said in it because it is a serious article, one of substance:

Automation would involve the suppression of 40,000 jobs each week in the United States.

Well, they also are affected by automation. Every week, 40,000 more unemployed. What will they have to do to straighten out that situation? And the article goes on:

Protesting against what he called the deliberately blind official optimism—

That, Mr. Speaker, is the stand taken by this government which sees the problem but still believes or at least hopes that it will solve itself in time.

And I continue:

Protesting against what he called the deliberately blind official optimism and the childish myths, Mr. J. I. Snyder, president of a large industrial American firm and considered as one of the main experts of the nation on automation matters, stated on Thursday that automation involves the suppression of some 40,000 jobs each week in the United States.

Before the Senate subcommittee on labour, Mr. Snyder (whose own concern manufactures automated equipment) challenged the allegations of the department of labour that the improvement of the productivity (of which automation is one of the factors) would eliminate some 200,000 jobs every year in the manufacturing industry.

—200,000 jobs, Mr. Speaker, that is a tremendous figure.

And I continue:

Myths exploded

"I think that would be to dangerously underestimate the real impact of automation on employment development in the United States" said Mr. Snyder who added: "Development of automation involves directly or indirectly the suppression of some 40,000 jobs each week and that means not only 40,000 more unemployed, but much more than that if you take into consideration the workers who, down through the future years, would have occupied those jobs, had they been maintained".

The expert denounced the intellectual laziness and the lack of courage of the public powers and of certain financial quarters who kept alive the myth that "automation will give rise, in other sectors of employment, to opportunities which will largely offset the job cancellations."

There may be a danger that Canada will be facing that same kind of unemployment within a couple of years if we do not make provision against that plague.

Crisis feared

"It is obvious that things do not work out that way. First, the present technological developments involve the creation of only a few new jobs as compared with the number of jobs washed out.

Then, it must be recognized that to rehabilitate workers is far from being so easy and simple as some people have claimed. Finally, workers that have been cast aside by progress are generally, in view of their low degree of education, their temperament, their age, etc., the most difficult to rehabilitate, the least inclined to move to some other town or area."

Mr. Snyder said, in closing: "If we do not want to be up against a terrible unemployment crisis within four or five years, it is important that teams of sociologists and economists be mobilized without delay to prepare drastic solutions to deal with an unprecedented problem.

Mr. Speaker, when I hear statements such as that one, I cannot help but think that, due to unemployment, there are sometimes whole families in extreme poverty just because automation makes it impossible for the head of the family to earn his daily bread and that of his children.

*Unemployment Measures Lacking*

It is a pity, Mr. Speaker. It is about time that we should stop and think about progress. When I read unemployment statistics, it is not so much the figures which frighten me but the implications of these figures, because the number of the unemployed in the province must be multiplied five or six times if we really want to know how many people live in the most dreadful circumstances.

I think that here, this year, we should face up to our responsibilities, all together without any partisanship, to try and solve the problem without one government wanting to take credit for it more than another. The facts are here, Mr. Speaker, then let us try and solve the problem all together, putting aside the fact that we belong to a party. We are here as the representatives of our constituents and we should be conscious of all the responsibilities which rest upon us.

The Social Credit party will not work wonders once in office but, precisely because respect for man is the basis of its philosophy, it will not consider only figures offered by statistics but will try to give one and all good living conditions, security and freedom.

Today, there is much talk about freedom and democracy. When I see so many unemployed, so many men who would like to work, who do not even think of going to some industry to offer their services. Where is freedom, Mr. Speaker, when a man is not able to work?

I maintain that one of man's first natural rights is the right to earn a living to support his family.

Moreover, to promote our economy also I think that the present problem will again be submitted to the house in January—I hope that taxes will be reviewed in order to find out means to give a new impetus, a new development to Canada, even if this would get our country in debt for the next ten years.

Let us think of the future. Under the present set-up, you just have to run into debt. Then, instead of attempting to get in debt little by little, by keeping people in extreme poverty, put the tiller hard over once and for all, and come January, present us with altogether new legislation. Our farmers, our labourers must find employment in order to earn their livelihood. I am ready to vote for that; I will be backing you.

Under the present set-up, endeavours have been made to take back control of the economy. But you know that the crucial problem is the financial one. The evil should be fought where it is.

First let us admit the complication of the unemployment problem. That is precisely why it is recommended to the members of this house not to try and blame somebody, but rather to suggest solutions.

[Mr. Plourde.]

We, in this corner of the house, are going to put forward solutions for the unemployment problem; we are going to tell you how to act to stem unemployment. You members of the other parties should do the same. You should suggest solutions to the government; then it will be able to develop a program and take a step in the right direction.

Before I conclude, Mr. Speaker, I wish to mention again to the hon. members that they committed themselves, during the election campaign of last May, to stop unemployment once in power, and in my opinion, it is about time that they seriously think that over and introduce an adequate legislation in that connection.

I noticed that the Prime Minister did not talk today about the problem of unemployment. There are still two or three problems which remain to be studied in this house, and the problem of unemployment has not yet been mentioned. We, in this part of the house, expressly make it a point that steps to relieve unemployment should be taken as soon as possible.

There is another thing for which we care and which we would like to be settled as soon as possible: it is the family allowances. By granting the requested family allowances, we would alleviate hardship among the people. That is logical. Let us be generous then with respect to family allowances.

I have been associated with an orphanage which gets $4 a day from the government for each orphan. The state pays $6 per month to the mother of a family in such circumstances. What a difference. An orphanage gets $4 a day to buy shoes, clothing, etc. for a child whereas a family gets $6 monthly for the same purpose.

The family allowance program should be drastically overhauled. Allowances should be $30 a month at least. Mr. Speaker, what is a dollar a day to develop the country and to encourage mothers to raise larger families? The day we have a large population, we will be able to speak of independence and to defend ourselves without relying on the United States as is the case at present.

Where does the strength of a country lie? In its faith in the future. We shall have faith in the future, Mr. Speaker, when the government will promote the welfare of the family which is the basic unit of society.

**Mr. Speaker:** I recognize the hon. member for Iles-de-la-Madeleine.

**Mr. Maurice Sauve (Iles-de-la-Madeleine):** Mr. Speaker, I believe that all members of the house in the next two days will turn their whole attention to the extremely serious unemployment problem.

I would like most of all that we try to look into problems with objectivity. I think that members of the opposition, as well as my colleagues on this side of the house, will mostly express their views by suggesting solutions to such a serious problem as unemployment.

I have heard this afternoon several members blaming the government for its inaction and its apparent inability to solve the unemployment problems since it came into power.

I intend in a moment to state more objectively what the government has done and what it intends to do. I could also, perhaps, from a strictly personal point of view, state my opinion on the long term policy of the government in the economic field.

**Mr. Speaker:** As it is six o'clock, it is now time to take recess.

[*Text*]

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

[*Translation*]

**Mr. Maurice Sauve (Iles-de-la-Madeleine):** Mr. Speaker, I think I may start my remarks by paying a particular tribute to the Minister of Labour (Mr. MacEachen) who, I think, is held in esteem by all hon. members in this house.

We heard him answer, with great tact and felicity, all questions hon. members wanted to ask him. We heard him discuss the problem of trusteeship for the seamen's unions, and, during the intercession, saw him try hard to find a private solution for that extremely serious problem which might have led to a settlement. We have seen him rise in this house to explain his position at the time of the seamen's strike or during the dockers' walk-out. He took a very firm attitude, and I think that all hon. members here are proud that Canada should have such a Minister of Labour.

I would be remiss, at a moment where an amendment is being discussed in connection with his department, not to take a few minutes in order to stress those facts.

It has been said, this afternoon, that the government had not taken all necessary measures to relieve unemployment. That statement is partly true and partly false. It seems to me, that to be fair and truthful it would be well briefly to list the various measures announced by the government since it came into power. All that legislation was more particularly aimed at relieving winter unemployment and all unemployment in the near future, and some provisions aimed at putting an end to unemployment over a longer period.

All members will readily agree that unemployment is actually the most serious problem at the present time. It is the source of many of our difficulties as I will show later on.

Allow me to read a list that I put together very hastily showing what the government has done or intends to do in the near future in order to alleviate unemployment. It was never claimed in the house that these measures would altogether solve the unemployment problem.

Some special measures were first announced to help areas called designated areas. Those measures affected 35 areas—10 or 12 were added subsequently—where the federal government will pay 60 per cent of labour costs for winter works and provide an additional sum of $7 million for emergency winter works.

An assistance program has also been announced for new industries in those areas whereby income tax will only be collected three years after the new firms have been established, and special depreciation has been provided for new equipment and buildings.

I think those measures are already producing results in those areas. In my riding of Iles-de-la-Madeleine, for instance, if I may be allowed to refer to it for a moment or two, winter works for more than $600,000, will be carried out which will do away with all unemployment there for seven or eight weeks. Should weather permit, we might be able to extend the projects into January and February.

The government, after much difficulty, had its municipal aid legislation adopted. That measure will help municipalities to carry out immediately certain projects which otherwise would have been delayed.

The special allowance of $500 for those who build houses in wintertime will allow us, I think, to reduce unemployment during winter.

The important wheat sales now taking place will undoubtedly increase employment in the field of transportation and in certain allied industrial areas.

The new government policy concerning the importation and exportation of automobile parts will help the economy of this country.

The new regulation governing technical training will also help.

The new policy pertaining to assistance for older workers will stimulate the re-employment of workers 45 years and over and will likely allow a certain number of those workers to go back to work.

*Unemployment Measures Lacking*

The Central Mortgage and Housing Corporation, by a more generous policy concerning loans, will help the economic development of some areas.

The announcement of an investment of $100 million in the Atlantic development board will help the Atlantic area.

The creation of a Department of Industry and of an economic board will probably, in the long run, enable the Canadian government to solve this problem.

I am not entirely satisfied with the situation and I do not think any of us is. But there are probably a number of proposals which will be brought forward and which will enable us to see the day when there will be in Canada what is called in other countries and has been called here full employment.

We have been talking about full employment for a long time in our country. I have before me a report published in 1945 under the title "Employment and Income". This report has been called the "white paper on full employment". Here is what we can read in it:

[*Text*]

In setting as its aim a high and stable level of employment and income the government is not selecting a lower target than full employment.

[*Translation*]

As far back as 1945, this was the policy of the government. Since then, there has been much talk about full employment and unemployment. And if the hon. members would look at the House of Commons debates index, they would notice that this has been the most discussed subject for five or six years.

In fact, a special committee on manpower and employment has been established in the Senate and sittings took place in 1960 and 1961. This committee submitted a voluminous report on the employment problem.

The fact remains, Mr. Speaker, that even though one knows the unemployment problem, its details, its various forms, as an hon. member of the opposition mentioned this afternoon, a basic decision has never been taken, namely whether governments, federal and provincial, should interfere in the direction of the economy.

All kinds of solutions have been suggested, all aspects of the problem have been considered, but when one reads all these reports, one is always under the impression that there was a gap at a certain time and that the government was never able to make up its mind and really step into the economic field. I think that is the crux of the problem.

We could discuss ad infinitum the causes of unemployment and the solutions we think possible, but as long as governments, all of them, will not make up their minds to step in in order to stem unemployment and apply a policy of full employment, Canada will experience, as she has in the past, long periods of unemployment.

All the reports I studied, especially the Senate report I just mentioned, reflect worry about what the economic situation will be between 1965 and 1975, when there will be a significant influx of people on the labour market.

That is the heart of the problem and it is up to us to decide whether we really want to step in. As long as we go on thinking that private enterprise can solve the unemployment problem all by itself, that important public works, unemployment insurance and assistance will be able to help the jobless for some time, we will never solve definitely the full employment problem.

Everybody admits that a certain level of unemployment is acceptable—although people who suffer from it do not—say 2 or 3 per cent, but a higher rate of unemployment, like ours, is not normal. Now I think that the unemployment situation in Canada is the source of other difficulties which are also very serious.

Unemployment in Canada is mostly rampant in the maritimes, in British Columbia and in Quebec. These are the three areas of this country which are usually hit the hardest by unemployment.

But I will point out, if I may, that it is these areas or these provinces which seem to have always some criticism to make with respect to the action or the inertia of the federal government. It is these provinces which find it difficult to get along with the federal government, and I believe that, as far as my own province, the province of Quebec, is concerned, unemployment and the economic situation of its population are probably the main cause responsible for the uneasiness which prevails in the federal-provincial relations and in the relations between French speaking and English speaking Canadians.

In my opinion, nobody questions the responsibility of the federal government to ensure full employment. It seems that it has been said a long time ago that full employment is at first a responsibility of the federal government.

On the other hand, some provincial governments are willing nevertheless to help relieve unemployment in their section and I believe it is urgent that both the federal and provincial governments agree on the policies which should be implemented in order to solve the unemployment problem.

The problem does not have the same acuteness throughout. Thus it is obvious that in Ontario, unemployment is less critical

than in the province of Quebec, the maritimes or British Columbia, and too many steps are taken by the federal government at the national economic scale, that is they apply indiscriminately to all the areas of the country, thus often creating a surplus of jobs in some areas while others suffer from under-employment.

I am glad that the government has decided to set up so-called "designated areas". It is a sign that the government now recognizes that certain districts are worse off than others in Canada and that certain nation-wide programs will not be as successful there as elsewhere. It still remains that those measures will not be effective unless there is close co-operation between the federal government and the provinces.

I should like to point out that we are no longer in the same situation as we were between 1945 and 1957.

At that time, the central government was powerful and the provinces did not question its jurisdiction in several fields. The provinces have come a long way since then.

Several provincial governments are well aware of local and regional problems. The federal government will then have to take the necessary steps to come to an agreement with the provinces.

In 1963, it is no longer possible for us, in Ottawa, to act as though we were always right.

Mr. Speaker, I could also take the economic council as an example. My remarks will probably be interpreted as a criticism of government policy, but I should like to say a word about that just the same.

I could say a lot of things about the role that can be played by the economic council which was set up recently. In particular, I feel that one of the two major aspects of economic activity has been neglected.

The economic council for the most part takes into account private enterprise which has an important part to play in economic activities, but public enterprise is practically always ignored.

Now, it is the federal, provincial and municipal governments, as well as crown corporations, both on the federal and provincial levels, which are responsible for the economic development of the country. And if private and public enterprises do not meet at the superior economic level to make decisions about economic planning, then public enterprise is being ignored, because the necessary intervention of the public powers in economic matters is being overlooked. This is exactly what I was saying earlier. This course was not chosen. On the contrary, it is still believed that only private enterprise can solve our problems. Now, it has been proved that private enterprise is unable to do so and that far too much is expected from it. But private enterprise, assisted by public enterprise and co-operating with it, can succeed in reaching this level of economic activity which will ensure full employment.

That is what happened in Europe. The old continent went through the same phases as we did. Before the war, Europeans believed that private enterprise could solve any problem; yet, after the war, even private enterprise realized that it needed government assistance. In my opinion, the European experience is extremely valuable. Why, then, did we not take the same option here, in Canada? Because we refused to make a definite choice in favour of government intervention in the economic life.

I now have to blame the members of the opposition—I think I am entitled to it, since I have tried to be impartial. I would like when economic legislation is discussed, legislation meant to cope with unemployment or to promote the economic activities of the country that, the two main parties, among others, would agree on the urgency of improving the economic conditions in Canada, especially in the province of Quebec. As I said earlier, as long as in the province of Quebec unemployment will be twice as high as in Ontario or as long as the personal income per capita will be 37 per cent lower than in Ontario—and I do not want to continue along on that line—as long as we remain on a lower economic level, we will feel unhappy.

I was greatly pleased with the speech which the hon. member for Three Rivers (Mr. Balcer) delivered last Tuesday. I would hope that his party would support him when he states that we, of the province of Quebec, consider ourselves as equal partners. Those are not the exact words he used but we would hope that everybody would have the same attitude towards us. At a time when we are discussing economic matters, I feel that his party should support the government so that we would not have to delay until the next session the adoption of legislation which is essential to the economic development of Canada and of the province of Quebec in particular since, as I said before, that is a basic condition of agreement between French and English Canada.

I did not like at all that part of the speech made by the hon. member for Three Rivers, who came back with the old line on mutual understanding. We heard all that from 1945 to 1960. The period of "bon ententisme", as defined by the hon. member for Three Rivers, is over and, to be perfectly honest, I am surprised that the English speaking press could find his speech praiseworthy.

I think there they tried to shut their eyes. I could very easily tell you and we could very easily tell you that everything is getting along fine and that there is no problem, but I would be dishonest if I were to tell you that. I believe we should all work together, and that is important, because all members of this house are aware that there exists serious unrest in Quebec. There are in that province people who think it is possible to solve in some other way the problems now facing us.

Incidentally, let me tell you that people often confuse nationalism and separatism. There is certainly a nationalist crisis at the present time in the province of Quebec. We are probably all nationalists, that is we want the situation to improve in Quebec to a point where we shall really become equal partners with the rest of Canada.

We may be nationalists, but we are not separatists, and those who identify separatism with nationalism are doing a disservice to the cause of Canadian unity.

There are in the province of Quebec a small number of separatists. We know them and they have been identified. *Maclean's* magazine and the C.B.C. have made a survey, the results of which were published last week.

The problem has been set I think but it seems to me extremely important that we establish a distinction between nationalism and separatism.

When it is claimed, in this house or elsewhere, that all nationalists are separatists, direct offence is given to the people of Quebec.

I perfectly realize that most of my colleagues are beginning to understand the problem but I would not want us to put the matter off. On November 25, there will be here in Ottawa, an extremely important federal-provincial conference for the future of confederation. I believe that it is up to the federal government—I have said so outside this house—to take action in order to save confederation.

We want to become equal partners here in this country, but really equal. We have faith in Canada, we fought for Canada on several occasions and has a witness, General Foulkes, not said before the defence committee that the French Canadians, during the last war, had probably been the best soldiers?

We are in our own country, here; we want to be at home in the province of Quebec and in the other provinces of Canada but we want to feel at home everywhere.

We want to do our share, we realize now that in the province of Quebec we have to make exceptional efforts and that may be the reason why, at times, we are asking for a lot.



We shall get along, I think, if both sides have but one aim: keep Canada together, because Canada without the province of Quebec would not survive. And the province of Quebec, without Canada, would not survive either.

There is but one solution to our problems, that is to live together. We shall continue to have misunderstandings, to experience difficulties, that is normal; but I think that if we can overcome the present difficulties, we shall celebrate together confederation and we shall continue, French and English Canadians, to work for a better Canada. In my opinion, there is but one way to achieve this and that is to deal immediately with the fundamental problem, unemployment. I believe, Mr. Speaker, that the government has already made an effort and that if, with the help of the hon. members, we can have that measure adopted, then we shall have done a great deal for Canadian unity.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I have a question for the minister from Iles-de-la-Madeleine.

**Mr. Denis:** Minister.

**Mr. Pigeon:** I am sorry. I would not want anything to offend the Postmaster General or any of his colleagues. Please accept my apologies.

Could the hon. member tell the house whether one of the possible means of solving the problem would be for instance, in the course of the federal-provincial conference, to grant to the provinces, and more particularly to Quebec, larger sources of income with which to build sewers, schools, roads, etc.? Could the hon. member tell us if such a method would not help solve the unemployment problems?

**Mr. Sauve:** It seems to me that I have insisted quite enough on the need for decentralization, and on the fact that provincial governments might solve certain local problems with greater ease than the federal government.

I feel sure that thanks to the spirit in which it is carrying on business at the present time, the federal government, together with the government of the province of Quebec and of other provinces, at the November 25 conference will come to an agreement of sorts, concerning the sharing of taxation revenues. If I were less sure of the fact, I would probably be rather unhappy in this house; every bit as unhappy for instance as my hon. colleague of Joliette-L'Assomption-Montcalm might be, and as many other members besides.

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I should like first of all to congratulate the hon. member for Îles-de-la-Madeleine (Mr. Sauve) on the forceful speech he has just delivered but most of which was unfortunately irrelevant. That is why I shall not try to follow along the same lines. However, I was happy to hear him state in connection with unemployment and the economic situation, that he was not entirely satisfied with the action taken by the government of which he is a supporter. I am glad he said that because, last year, when the number of unemployed was about the same as this year, he bitterly criticized the government for what he called its inaction.

We have today the same situation which. far from improving, has become worse since the hon. members opposite—

**An hon. Member:** That is not true.

**Mr. Martineau:** —have come into power. The hon. member for Îles-de-la-Madeleine dealt with the problem mainly with regard to the province of Quebec of which he spoke very feelingly, and I commend him for it.

If we look at the figures issued by the dominion bureau of statistics and compare statistics for August and September 1962, with the figures for the same months in 1963, we find that in August last year there were 96,000 unemployed in the province of Quebec, whereas there were 97,000 in September.

This year, that is in 1963, in the province of Quebec, under a Liberal regime, in Ottawa as well as in Quebec, we still unfortunately, find Quebec reaching the highest level of unemployment, namely 108,000 in August 1963 and still the same figure in September last, that is 5.5 per cent in August and 5.7 per cent in September.

Then I hope that as a result of his argument, the hon. member for Iles-de-la Madeleine, will find sympathetic support among the members of the government, several of whom come from the province of Quebec, who have been listening in silence.

The hon. member said that our party, that we, of the opposition, should support the government and not cause delays in the passing, to use his own words, "of legislation essential to the economic progress of our country" which are brought forward.

I perfectly agree with that. But may I ask the hon. member where are those measures? What are they? Far from relieving unemployment in the province of Quebec, they only increase it? If he has an answer to that, it is that among those now occupying the treasury benches, there are better economists than those who usually show off.

**Mr. Deschatelets:** Would the hon. member allow me a question?

**Mr. Martineau:** Mr. Speaker, I do not wish to hear the Minister of Public Works now, but if there are a few minutes left at the end of my observations, it will be a pleasure to reply to the hon. minister because that is a matter of courtesy.

**Mr. Caron:** It is only to enlighten you.

[*Text*]

**Mr. Martineau:** I have been looking over the subamendment. I think it would be unfair to say the members of the present administration are not conscious of the problem of unemployment. As a matter of fact, when they were on this side of the house they spoke of nothing else. They could think of nothing else and could find no other subject on which to entertain the house than the subject of unemployment.

Today they do not care to speak about it. It is swept beneath the rug. Unhappily, though, the problem is still with us; it has not been solved by those masterminds opposite. If anything, it is likely to be more serious than ever during the coming winter months, precisely because of the failure of the government to take effective new measures to deal with the situation. When I say hon. gentlemen who now grace the treasury benches have a concern for unemployment, I should have said they had a concern about unemployment when they were over on this side of the house. One of those who expressed the most concern was the gracious Secretary of State for External Affairs (Mr. Martin). You will recall, Mr. Speaker, that at that time the hon. member for Essex East was the main critic of the official opposition in matters of labour, employment and unemployment. As a matter of fact, he made several contributions on this particular subject which are recorded in *Hansard*. I cite a few extracts at random from the inspired words of the hon. member for Essex East, now Secretary of State for External Affairs. I might say that he was vastly concerned with the problem, so much so that on the 2nd of February, 1960, as recorded at page 645 of *Hansard*, he had the audacity, I think, to single out Canada as "the one country in the western world where, in spite of our resources and great industrial capacity and the capacity of our people, there has persisted continuously since the fall of 1957 the most serious unemployment problem of any country in the western world".

Sir, if the situation then was as described by that hon. member, then I say it is every bit as serious now because statistics prove there has been no improvement since. In the course of the same speech the hon. member

said that this situation was an indictment of our society. I should like the hon. member who is now a member of the government, to note these words because they are words he could very usefully repeat to his colleagues in the cabinet now. At that time he said:

> I say to this government, the same vigour that it demonstrated in the course of the elections, when it talked of unemployment, it ought now to demonstrate when it comes to consider what should be done about it.

The chickens are indeed coming home to roost, Mr. Speaker. I could use word for word the same flamboyant epithets which the Secretary of State for External Affairs was so fond of using when he sat on this side of the house to castigate the lack of action on the part of the government then. Let him now instigate action on the part of the government of which he is a member, that very government which rode into office on the promise that they would rid the country of its principal problem, unemployment. What have they done? In terms of effects and results they have done just about nothing.

With regard to the winter works program, the hon. member for Ontario (Mr. Starr) this afternoon related how that program had been initiated by the previous administration, how it had been ridiculed by members of the opposition at that time, how a great number, perhaps a majority of municipalities throughout the country availed themselves of its provisions, and how it had created year after year since its implementation hundreds of thousands of new jobs for Canadians. This one measure initiated by the previous government to combat unemployment achieved striking and complete success and has borne rich fruit for the citizens of Canada.

Yet at that time the hon. member for Essex East could find no other words to describe that splendid and successful program than "that anaemic child of the government". It might have been anaemic in the mind of the hon. member, but certainly in comparison with some of the measures the present government said they would implement, and never have, it was indeed a vigorous child that produced hundreds of thousands of new jobs. Some hon. members on the other side scoff at that. They do not seem to believe. Let them cite one single measure introduced by them which has produced hundreds of thousands of new jobs for Canadians. They have not produced a single one as far as I know.

I could go on at some length recounting the utterances of members of the government at the time they were in opposition with regard to the measures they would propose when they came into power. Again, on the 2nd of February, 1960, the hon. member for Essex East made certain suggestions. For instance, he said that responsibility for unemployment must be transferred from the Department of Labour to the government as a whole, particularly to the Department of Finance, including the Bank of Canada, under a vigorous ministerial chairmanship.

I can understand why the government has discarded this proposal when one considers the dismal failure of the budgetary proposals made by the Minister of Finance to resuscitate, as he said, the Canadian economy. That is one proposal which members then in the opposition insisted upon strongly in order to restore our economy; but today there is not the slightest inkling that the government is anywhere near adopting such a proposal.

The opposition of that day said: Let us adopt a national advisory board on economic development. They have established something like that, but it has not produced any jobs yet. I can quote as my authority none other than the speaker who preceded me, the hon. member for Îles-de-la-Madeleine (Mr. Sauve).

Another proposal made by the Secretary of State for External Affairs was to set up a special parliamentary committee to deal with the problem of unemployment, and assess the facts. When some of the members now in the opposition propose the setting up of a parliamentary committee to deal with unemployment the only thing we hear is, "No, that is no good, because as the opposition you will use it in a partisan way,"—as if the hon. member for Essex East on that day had any other idea than to use the committee precisely in a political way. The proof of that is that today the government refuses to set up such a committee.

The opposition of that day were very fertile and prolific in proposing solutions to the problem. They said: Let us call a federal-provincial conference on unemployment. I know a federal-provincial conference has been called, but it is not to deal with employment or unemployment. It is to deal with relations between the provinces and the federal government, which have reached a very low ebb indeed since the 22nd of April last.

Here is another proposal made at that time which I commend especially to members of the cabinet. It was proposed by no other authority than the hon. member for Essex East that a leading businessman be appointed to provide leadership in supplying jobs. I think that would be a very good proposal and I have the name of a leading businessman, a chartered accountant by profession, to suggest. He is the present Minister of Finance. In a private capacity I think he could perhaps do a lot better than he has done as Minister

of Finance. I am sure of one thing: He could not do any worse, and he has got a lot of help.

The opposition of that time spoke of that anaemic child, the winter works incentive program. They were not satisfied with the 150,000 to 200,000 jobs provided every winter by that program. They said: Let us make modifications to the winter works program. Where are these modifications? I know the Minister of Labour (Mr. MacEachen) is looking at me as if to say I do not know very much. I know that in his wisdom and following the dictates of his advisers he has proposed that with respect to the winter works program in certain designated areas—and the subject of designated areas is a very touchy one—the federal contribution be increased from 50 to 60 per cent. As far as I can see, that is the main modification that has been brought forward by the government, which was going to revamp completely that great, successful program initiated by the Conservative government when it was in power and which has contributed greatly to the maintenance of a decent amount of employment throughout the country in the winter months.

These are some of the main proposals. There is one more proposal which is dear to the heart of the Secretary of State for External Affairs. He also proposed that the excise tax on automobiles be abolished. Our government did that. It did not require a Liberal government to be in power for that to be done.

These are some of the measures that were proposed by the former opposition members now occupying the treasury benches. As you can readily see from the summary of the measures that I have put before you, Mr. Speaker, none of them has been implemented in an effective way by the present government, which has been noted not for its drive or its constructive proposals but more for its confusion and its dilly-dallying.

[*Translation*]

The Minister of Justice, when he was on this side of the house, was also quite prolific and proposed means to deal with unemployment.

I remember a brilliant speech he made at the time he was but the member for Laurier, on March 2, 1960, and which is to be found beginning at page 1651 of *Hansard*.

The hon. member for Laurier had proposed some 25 measures to remedy the unemployment situation. Well, his government has been in office for six months—it is no longer a matter of 60 days but rather of several hundred days—and the proposals the hon. member was enumerating at that time to deal with unemployment have not been adopted, except those the Conservative government, which was in office until April of this year, did adopt.

I am quite sure the minister has not forgotten that eloquent and vibrant speech, and I do not have to insist too much and set down the proposals he put forth. The fact remains that, the moment these hon. gentlemen are given full authority to act, they seem to forget all about those suggestions, recommendations, measures and means. They hang on to obsolete ideas or extend a recovery program launched by the previous administration.

And even the present ineffable Minister of Public Works (Mr. Deschatelets) who was then member for Maisonneuve-Rosemont, ventured to make some remarks on the unemployment situation. As we may see on page 4167 of the official record for May 23, 1960, he was shocked to see such a great number of people at the unemployment insurance office in the city of Montreal.

He had good reason to be shocked, but he might use his camera today and take the same photos—or even let him forget his photographer's talent for a few weeks and try the same experiment the next few months. He will see then that the situation remains exactly the same, because the government of which he is part has been unable to elaborate a program to remedy the present situation.

As we may read on page 4169 of *Hansard* for May 23, 1960, the present minister said then:

> What did the Conservative government do to try and maintain employment at a reasonable level in Canada?

And now we may ask: "What did the present government do to try and maintain employment and jobs in this country at a reasonable level"?

And the hon. member added:

> What interest did this government show in avoiding a deterioration of the employment situation to the point I mentioned a few moments ago when quoting the last figures?

Indeed, what interest does the Liberal government show in this problem?

And the hon. member said further:

> To what extent did the government listen to the admonitions and warnings which it so frequently heard from the opposition?

Mr. Speaker, why do those gentlemen, who have a good memory and are not without intelligence, not pull themselves together and recall the words and suggestions they made at the time when they were sitting on this side of the house?

**Mr. Deschatelets:** Mr. Speaker, would the hon. member allow me a question?

*Unemployment Measures Lacking*

**Mr. Martineau:** When I have completed my remarks, Mr. Speaker.

[*Text*]

I think, Mr. Speaker, I should continue along the line on which I started. There is another prominent member of the administration who had a lot to say about unemployment. He was, Mr. Speaker, the golden haired boy of Liberalism, the white hope; he has become a bit gray now, I will admit. I am referring, of course, to that brilliant economist the Minister of Finance (Mr. Gordon). He had quite a few comments to make before he entered this house, and particularly before he became a member of the administration.

In October, 1960, Mr. Speaker, he published in the Toronto newspapers, as for instance the Toronto *Star*, what he called a "bold program" to solve the problem with which this country is now faced, mass unemployment. The minister then stated, as an example, that mere talk could only waste time and what was needed was action. Imagine those words coming from that source. He said that what was needed was a concerted policy to attack this evil thing that sapped the will and the spirit, not only of those who have no jobs, but all the rest of us who may become fearful for the future. At that time the minister urged a concerted policy; but what indication has he given to us today of a concerted policy, a comprehensive policy, something that makes economic sense? He has not given us any indication of that. He has given us exactly the contrary.

At this time I believe it would be helpful to table a copy of "Walter Gordon's Solution". This appeared in the Toronto daily *Star* for Saturday, October 15, 1960. "Twelve Golden Rules to Achieve Full Employment", by Walter Gordon, the then rising star of Liberalism and noted economist, who has now become the quiet and subdued Minister of Finance. I should like to table these rules, because I am sure that they would serve as a reminder to the government of its sins of omission and commission and its absolutely incomprehensible indifference to the admittedly grave problem of unemployment. They talked a lot about this problem in the days before the election, Mr. Speaker, but now that they are in a position to do something about it, what do we get? There has been no action, no sensible action. I wish to table these 12 golden rules which are Walter Gordon's solution to the problem. Well, we know what that problem is.

**Mr. Deputy Speaker:** The hon. member realizes, of course, that he cannot table that kind of document. He can leave it on the table if he wishes, but it cannot form a part of *Hansard*.

**Mr. Martineau:** I am satisfied to leave it on the table. I hope that hon. members opposite will go around the table and take a look at it. Possibly it will be impressed upon their minds.

**An hon. Member:** Read it.

**Mr. Martineau:** Yes, I will read it a little later.

I was going to say that in those days, contrary to his present practice, the minister was quite loquacious. He used to make a lot of speeches during the years 1960, 1961 and 1962 concerning what would be required to solve unemployment. For instance, at one time he said that one of the reasons for unemployment was tight money. Well, Mr. Speaker, I seem to recall 1955 and 1956. I seem to recall businessmen in this country complaining bitterly over the fact their sources of credit had been cut off by the banks and the financial institutions, as a result of the policies of the government. It was this same tight money government that was driven out of power, you will recall, in 1957. The Minister of Finance describes tight money as one of the causes of unemployment. Indeed, it was, but he failed to mention the origin of that tight money, which was the policy of the former minister of finance, Mr. Walter Harris.

The minister went on to say that what was needed to bring about an end to unemployment was really not an end of tight money but it was, on the one hand, the cutting of taxes, and on the other hand the balancing of the budget. He said we had to decrease our deficit, and that if the budget had been balanced in 1958 or 1959, either by increasing taxes or by reducing expenditures, the need for such a rigidly tight money policy would have been greatly removed. Then he added that neither of these alternatives would have been popular, but they would have been wise.

Then, the Minister of Finance made a speech in Quebec city which was reported in the Toronto *Star* of November 24, 1960. He called for a cure for unemployment, and I quote from the newspaper article:

> Temporary cuts in personal income taxes, lower interest rates and a reduction in the premiums on the Canadian dollar are the fastest and most effective cures for unemployment, economist Walter Gordon said last night.

The present government, despite the expert advice freely given by men like the Minister of Finance, when he was outside the house or sat in opposition, has not seen fit to cut the income tax or other taxes. As a matter of fact, we know only too well that, contrary to

the promises it made, there has been an increase in personal income tax. We have also seen the monstrous imposition of a tax on building materials and production machinery, and we have had the Minister of Finance forecast that his budget deficit will be the highest peacetime deficit in Canadian history.

There is the difference between the pragmatists, men like the Minister of Finance, the Secretary of State for External Affairs and a few others, and the theorists, the idealists, the impractical dreamers; and in this government it is the impractical dreamers who have got the upper hand, because how else could the government have got the country into the rudderless mess which the London *Economist* spoke about some few days ago?

These are some of the attitudes the government has chosen to adopt, and under those circumstances it is not surprising that there has been no improvement in the economic and unemploment situation. To illustrate that, I quote from the dominion bureau of statistics' bulletin of October 25, 1963 where it states:

> Employment declined by an estimated 181,000 to 6,565,000 between August and September.

That is the net result, a decrease in employment under a government that was elected to promote and expand economic activity. It is a dismal record.

The Montreal *Gazette* of September 14, 1963, stated that the Liberals' job rise was off target and that unemployment continues to persist on the seasonally adjusted basis at between 5 per cent and 6 per cent of the labour force. There is no improvement there, and it is no surprise that the Prime Minister stated not very long ago that unemployment was such a fundamental problem that the federal government could not cope with it. It is only too apparent that the present government cannot cope with the problem.

The situation would be infinitely worse if some of the forward looking, progressive measures that were adopted by the previous government had not been implemented. I speak for instance of the winter works incentive program, which has been continued by this administration, and which has provided 150,000 to 200,000 jobs a year since 1960. I speak also of the launching of the vocational and training program on a scale such as this country had never seen before.

We also called a conference of leaders of industry and labour to meet with the government, and one recommendation made by that conference led to the establishment of the national productivity council. What has this government seen fit to do about that council? It has abolished it. That was an instrument which did good and important work to increase the productivity of our workers, and that is one of the main requirements if we are to keep abreast of our competitors. I think the Minister of Trade and Commerce will agree with me there.

We also set up the Senate manpower inquiry, and through successive budgets adopted sensible, reasonable incentives for industry through tax concessions of various sorts that gave a good impetus to industry in so-called surplus labour areas. Those measures were infinitely more logical and better applied than the hit and miss incentives for designated areas announced recently by the Minister of Finance, and which have caused a great deal of confusion among organized and established industries. The case of Brantford is only one in point. Just a few days ago the hon. member for Renfrew South (Mr. Greene) pointed out how unjust it was for regions such as Pembroke to get the advantages, when a sister town in Renfrew South did not benefit from them. The same holds true for many other areas throughout the country.

It was our government which also launched the great export drive that pushed Canada's exports to new all time highs. This was due to new, liberal and sensible ways which we adopted to finance trade exports, and the Minister of Trade and Commerce knows that if our exports are showing increasing gains it is due to those types of measures.

One of the measures which was ridiculed by members of the government when they sat in opposition was devaluation of the dollar. Everybody knows that devaluation, adopted by the previous government, was an act of great courage unparalleled in political government in Canada—because it was adopted in the middle of an election campaign—has brought great benefit and was a major incentive to exports.

**Mr. Pickersgill:** Adopted? It was forced on you.

**Mr. Martineau:** The Secretary of State seems to think that is not so, but let him read some of the words of his colleague, the Minister of Finance when he wrote his treatise, "Troubled Canada", in which he advocated devaluation as one of the measures that had to be taken.

The measures now being put forward by this government are weak and anaemic. They do not respond to the gravity of the situation. The Minister of Labour has announced his nine points program, but this afternoon the hon. member for Ontario (Mr. Starr) pointed out the weakness of that program. As another masterpiece of economic recovery we had the budget of June 13, the main features of which were increased taxes; and now there has

been evolved, by the brains trust that surrounds members of the government, the municipal loan development fund. This is a measure of doubtful economic impact because it imposes new charges on the municipalities that they can ill afford to bear.

The works to be financed by the municipalities under that fund are works which, by their very nature, will be tremendously costly, and most municipalities have already reached a borrowing point beyond which they can ill afford to go. The government hopes to have the municipalities and their taxpayers finance this plan to cure a problem which, if it is to be cured, must be approached on a comprehensive and co-ordinated basis by the government, and that is why most financial critics do not agree with it. Only today John Meyer had an article about it in the Montreal *Gazette,* and said he felt the municipal loan fund would not provide the jobs which the government expects it to, and would place new burdens on the municipalities.

Members of the government made a lot of hay, or shall we say, a lot of noise about the national economic council.

[*Translation*]

I regret, Mr. Speaker, that the President of the Privy Council (Mr. Lamontagne), the father of the economic council, is not in the house tonight.

I have noticed the well-justified criticism of that measure by the hon. member from the Iles-de-la-Madeleine (Mr. Sauve).

With much fanfare, the President of the Privy Council brilliantly introduced that legislation in the house and had it passed. That newly established council is one of the organizations of our country. However, the President of the Privy Council maintains a complete silence on the matter. Is he ashamed of it? Why does he not submit a report on the business of that council?

That council was designed with the idea of co-ordinating all activities and "live forces" of the country in order to achieve full employment. Mr. Speaker, we have not seen anything up to now which could justify such hope.

Mr. Speaker, in my opinion, if we want to solve the unemployment problem, we must not aggravate our relations with our neighbours to the south, which is what the gentlemen sitting on the treasury benches are doing now. On the contrary, we must strive to resume friendly relations with that great country so that agreements can be reached, and we have not been given any indication of that so far.

We must also set up a better system of consultations with the provinces about unemployment as well as economic matters. I would suggest that a conference be called specifically to study and recommend measures to be taken with regard to unemployment and economic development.

To that end, we could propose appropriate amendments to the winter works program, creating thus, as I said a short while ago, many jobs throughout the country.

For instance, instead of having only the designated areas benefit from the federal contribution of 60 per cent towards the cost of labour, that measure should be extended to all sections of the country and thought should also be given to the possibility of having the federal government pay for part of the cost of machinery and materials used by the municipalities in their winter works program. That would surely be an efficient way to fight unemployment.

**Mr. Deputy Speaker:** Order. I am sorry to interrupt the hon. member but his time has expired.

[*Text*]

**Mr. Gerald A. Regan (Halifax):** Mr. Speaker, one of the great wonders of mankind is that one never becomes too old to learn. We note today that after six or nearly seven years on the treasury benches, during which period the present official opposition, and particularly their front benchers, took the attitude that there was no unemployment problem in this nation and repeatedly refused to recognize the existence of unemployment as a problem in our nation, they have suddenly discovered now that there is a problem of unemployment.

**Mr. Lambert:** That is a lot of tripe.

**Mr. Regan:** There are many ideas on how government should be carried on, Mr. Speaker, and the idea of the previous government as regards the unemployment question was what is known as "government by heads in the sand". We now note, as I say, that hon. members opposite have withdrawn their heads from the sand, as the hon. member for Pontiac-Temiscamingue (Mr. Martineau) has just demonstrated, and discovered that there is such a thing as unemployment in Canada. Having spent such a long time without noticing this fact, it seems that the hon. member is only now catching up on his reading, because despite what he considers and describes as a very serious problem of unemployment, he used the better part of his 40 minutes to recite and review speeches and books written by Liberals during the past six years.

**Mr. Lambert:** Read the amendment.

**Mr. Regan:** I am glad to see that he is at least catching up on his reading in that regard.

I was greatly surprised this afternoon when the hon. member for Ontario (Mr. Starr) chose as his topic for this motion of non-confidence that of unemployment. I think it is somewhat ironic that the hon. member for Ontario, who was minister of labour during the years when unemployment was so great a problem, when it grew and grew in size to monumental proportions, should come here after six years of being unable to contain or solve the problem and now criticize the government of this day for not having completely solved the problem in the six months during which they have been in office, despite the fact that each one of those six months has shown a decrease in unemployment in this country.

Unlike those who subscribe to the "heads in the sand" theory of government, we in the Liberal party recognize that unemployment is still a problem in this nation, a problem which we inherited last spring. Indeed, it is a major and tragic problem. In my view there is nothing so important to the dignity of the working man in this country as the matter of finding a job. I can think of nothing more tragic than a man with a family to support who is willing to work, who wants to work, but who cannot find work. I suggest that this government has taken a great number of measures, some of which, as the hon. member pointed out, have not yet borne fruit, because these things cannot all be accomplished in six months. But they have taken very significant steps to curb unemployment and create new employment. Just to mention some of those steps in passing, there is the extension of the winter works program, which has been altered to make it much more effective. We have incentives to new industry, such as the tax holiday and increased depreciation; and I think another very significant step is the municipal loan fund, which can result in a great deal of extra employment in this coming winter. Perhaps the most significant thing of all which has been accomplished by the new administration in this regard is the very coming into power of this government, which has restored business confidence in the country.

**Mr. Brewin:** What a dreamer.

**Mr. Regan:** There is no question but that the wheat sales have helped create some employment. There is also no question that the wheat sales have helped to create an atmosphere which will encourage business to expand and commence new enterprises, which will in turn create employment. The government of indecision which went out of office last spring was one which did not inspire this business confidence, and as a consequence we were not able to have an atmosphere wherein new jobs became plentiful.

I think, Mr. Speaker, that if we were to dissect this question of unemployment and analyse it we would find, in looking at the problem as a whole right across the country, that the disturbing thing is that there are large and severe pockets of unemployment. This matter was mentioned by the hon. member for Port Arthur (Mr. Fisher) earlier today. Unemployment is not spread evenly across the country; there are certain areas in which it is a very serious problem. By the same token there are many non-skilled workers amongst those who are unemployed. On the other hand, there are jobs in some areas going begging for lack of skilled workers. There is also the problem of the worker whose skill has become unusable because of technological change in industry, and who today is unable to find employment.

With reference to this question of unemployment in certain areas, I would suggest, Mr. Speaker, that the government's program in establishing the Department of Industry and area development incentive is of very significant importance. I would further suggest, speaking as a maritimer, if I may be allowed to do so, that the funding of the Atlantic development board and the revitalizing of that organization by enlarging its membership is a very progressive step toward helping create employment in the maritime provinces.

Turning to the question of skill of the workers of this country, the program of vocational training started by the previous government was a good one. I would hasten to point out that it was not a new or original concept, as vocational training had been participated in by federal governments as far back as 1919. Nevertheless I think we need to extend and develop the training and retraining of our workers. It is important to make full use of the national employment service. One of the more significant accomplishments of the present government, something which I hope will merely be an initial step in a new direction, is the assistance which has been granted to older workers in order to encourage employers to employ people over the age of 45. This is new territory for government in this country, and I think this initial step will certainly be helpful. I think the question should be closely studied because much more can be done to encourage the employment of those who as a class, have greater difficulty in obtaining employment. We should attempt increasingly to assure that young people do not enter the labour market until they have

the necessary skills. There is certainly a continuing problem, not only in this country but in every major country in the western world caused to a large extent by changing technological processes, and the fact that fewer workers are needed today to handle machines than in the past. I wish to point out that assistance on a strictly regional basis is no permanent answer because it does not really solve the problem; it merely transfers employment from one area to another. One example is the competition for shipping between the St. Lawrence seaway and the Atlantic ports. I do not see that merely transferring the handling of goods from the port of Halifax, which has handled them in the past, to some inland port will help the over-all economy in any way, particularly when we consider the fact that the goods will be carried from Toronto or some other port to the west by ships which are foreign-owned and that wages will go to foreign seamen rather than to employees of the C.N.R.

Sometimes, of course, the transfer of labour can help, for example when it creates an immediate area market which in turn can create new jobs. Nevertheless, wholesale retraining and the provision of an effective and realistic education program is the only long range answer to unemployment. This should be taken together with the point to which I referred earlier—keeping young people out of the labour market as far as possible until they have acquired skills. I will be the first to admit that this calls for much more investigation and participation by the government than has hitherto been the case because, of course, there are obvious pressures—a young person cannot readily stay at school if his family economic circumstances are such as to make it necessary for him to leave school in order to find whatever employment is available.

I think the answers lie, also, in the field of the export and manufacture of new types of goods. We must export more than we have in the past and, as has been pointed out many times in this house, this is tied up with the foreign ownership of such a large proportion of industry in this country. In addition, we must see to it that we manufacture, here in Canada, types of goods which we presently import from other areas. These measures must at all times be linked with the realization that employment should be shared among as many people as possible. Walter Reuther, who is perhaps the most able labour leader in the United States, has recognized that labour today, both in his union and elsewhere, must follow a policy of less overtime and a larger working force. Employment must be spread, and spending power must be spread.



I think it is important that both unions and management in Canada should keep this concept in mind; unions in reaching their collective agreements must try not only to protect those who are already employed, but to recognize the position taken by Mr. Reuther and see to it that the way is open for as many people to be employed as possible.

I wonder if I might turn for a moment to the maritime area and the maritime economy. I agreed with many of the remarks made today by the hon. member for Port Arthur (Mr. Fisher). He mentioned that, in the past, military spending has been used to assist financially the economy of certain areas. I think that is true. I think it was done on a large scale under the previous Liberal administration. I will point to the building of Camp Gagetown in New Brunswick at a cost, I am told, of about $40 million. Ever since, that camp has pumped a great deal of energy into the economy of the province of New Brunswick. There is no doubt that the basing of a large portion of the Royal Canadian Navy in Halifax has helped develop the economy of that city. Over the years, this military spending has given Halifax the buoyancy to develop its economy still further. With each passing year the economy has become more diversified and in better over-all condition. The presence of the navy and the existence of other military bases in the area led in turn to the establishment of the Fairey Aviation Company, when the Liberal government was in power, and the Cossor plant, both large employees of labour, and to the modernization of the shipyards. These companies, together with the government, created in turn an immediate market in the Halifax area which enabled that city to reach a sufficient size to attract further industries. Although our economy would be in a sorry state if military expenditures were withdrawn at the present time, nevertheless the development of our economy is such that, with each passing year, it becomes more self-sufficient.

I must say I strongly disagree with the hon. member for Port Arthur in at least one respect. He made some comments about the shipyards at Halifax being inefficient. I believe he attributed those comments to someone else. I suggest the Halifax shipyards can hold their own with any in Canada. They are the shipyards which first built destroyers in this country. They have not only been the leaders in this industry, but in time of war they undertook all kinds of difficult repairs under the most adverse conditions that could be imagined.

Turning from the home area I should like to comment on the remarks of the hon. member for Lake St. John (Mr. Lessard) suggesting that to a large extent the combating of

unemployment should be left to the provinces. At the risk of being branded a centralist, I cannot agree with this notion at all. We have a centralized economy. Workers are transferred by many companies from province to province and from one coast to the other. Goods manufactured in any part of Canada are marketed throughout the entire nation, and to combat unemployment in an economy of this type I suggest we need centralized direction of the measures being taken. I do not say the battle against unemployment should be fought only by the federal authorities. Certainly, the provincial governments have a large responsibility. But the measures taken must to a very large extent be given centralized direction from Ottawa. Unemployment insurance payments and family allowance payments have provided a cushion against recession in the past, along with other measures, and prevented the economy from sinking into depressions such as existed in the thirties. However, we must strive to find new ways of lessening the impact of major employment changes both in Canada as a whole and in specific areas. Whenever it is necessary because of large scale changes in employment and types of employment, it must be the role of government to see to it that we phase out old programs and phase in new ones so that the blow to the economy is not as serious as it might otherwise have been.

I submit that this government has brought forward good new measures and policies. It has begun the monumental task of overcoming unemployment in this country, a task which involves the dignity and security of every Canadian worker. Let us continue this battle until it is successful and place Canada in a position to profit from new sales and expanding trade in an era when living standards are rising throughout the world.

**Mr. MacEwan:** May I ask the hon. member a question? Does he consider the cancellation of the general purpose frigate program has been of assistance to the workers in the Halifax shipyards to which he referred.

**Mr. Regan:** I will be happy to answer that question. I do not consider that the expenditure of government funds for military defence should be used as a relief measure. I submit that as long as this government does as has been indicated, and sees to it that new and efficient programs designed to produce appropriate and effective weapons come forth in the days ahead, the nation as a whole and, indeed, my constituents recognize there is little to be gained by manufacturing weapons which are already obsolete.

**Mr. Webb:** Would the hon. member permit a question?

**Mr. Regan:** A privilege.

**Mr. Webb:** Is it the the hon. member's view that a government that imposes a new 4 per cent sales tax on all building materials, a government that reduces the extent of the winter works program by some two weeks, a government that fires a widow and hires a person who has three other jobs, is carrying out policies that will help to relieve unemployment?

**Mr. Regan:** Mr. Speaker, I am afraid I do not know much about the widow but I will try to answer the first two parts of the question, if I may be allowed to do so. I believe the first part of the question dealt with the establishment of the sales tax. In that regard I would say that sometimes a government is forced to come to very important decisions and in this instance, with the fantastic deficits built up over the years and the shaky situation of our economy, the government recognized that in order to help to re-establish the confidence of business in the government of the day it would be necessary to come closer to a balanced economy, which will be done in due course.

**Some hon. Members:** Oh, oh.

**Mr. Horner (Acadia):** What is your deficit going to be this year?

**Mr. Regan:** I would also say—

**Mr. Horner (Acadia):** What is your deficit going to be this year?

**An hon. Member:** Oh, shut up.

**Mr. Regan:** I would also say in that regard that it is interesting to note that construction this year is up some 15 per cent.

**Mr. Douglas:** They are just getting in before the 8 per cent sales tax comes into force.

**Mr. Regan:** With reference to the second part of the question—what was the second part of the question?

**Mr. Douglas:** Stay away from the widow.

**Mr. Regan:** I cannot remember it. The question was very involved and I had difficulty in following it.

**The Acting Speaker (Mr. Batten):** Order. The hon. member for Edmonton-Strathcona.

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, I am sorry to cut short a member who was so amusing. I am afraid I have left most of my best jokes at home. However, if my Liberal friends across the way follow their usual habit some of the things I may say favouring the former administration are liable to meet with as much merriment as the last speaker's explanations did.

*Unemployment Measures Lacking*

To begin with, I should like to point out to all hon. members that the Conservatives have been very restrained with regard to the question of Canada's unemployment problem. I am sure that most of us have a genuine concern for those people who are unable to find work for short or long periods of time, and I have no doubt that over the last several years most members of the house have had this feeling. There is a difference, however, between taking up the subject with the prime objective of trying to add something to government plans which may assist them, and taking up the subject because it happens to be a good political football, no matter what the consequences to the unemployed.

It does not take much memory for those of us who have been in the house in the last five or six years to recall the fact that unemployment was an almost daily subject of questions from the opposite side of the house. At that time the hon. member for Essex East (Mr. Martin), now Secretary of State for External Affairs, had his own bureau of statistics which he quoted daily at great length, and every day in one form or another he brought up the question of unemployment. I need not remind the house that the Chair was not exactly strict. The government had an overwhelming majority and we had a Speaker who was very kind and tolerant. The objective was at all costs to avoid any pretence or show that the opposition was being strangled. I assure you, Mr. Speaker, that nothing short of strangling would have stopped the hon. member for Essex East bringing up the subject of unemployment every day.

He did not bring it up in a manner calculated to put before the government of the day some helpful solution or hint as to policy, some course of conduct that might aid or ease the situation. Every day his questions were so framed as to try to give the people of the country the idea that there was unemployment in ever increasing numbers and that the government was doing absolutely nothing. In short, if ever there was a prolonged, sustained and deliberate attempt to undermine the confidence of the people in the government, the opposition of that day was responsible for such an attempt. I suggest it would do hon. members a lot of good to look at the present situation and the restrained way in which the opposition has considered this question, and contrast the way the former government used to handle the situation as compared with the attitude of the present government. Because, if they do, they will then have some idea of why the opposition has chosen to bring up the subject of unemployment on a supply motion, so that there can be a full and complete debate.



It can be said of a subject such as unemployment that it is so wide ranging there is some possibility that some of us may miss the target, and that there are so many aspects that some of them will not be discussed in detail. On the other hand, this debate does provide scope for those hon. members who wish to put forward ideas involving positive schemes to help the government in creating more, better paying and longer lasting jobs for Canadians.

If we are to consider whether there is merit in any scheme so brought forward, I think it is not out of place for me to bring to the attention of the house what I consider to be the general scheme and plan of attack that the previous administration had been following for several years. Certainly a little reminder along this line seems to me to be absolutely essential, bearing in mind the speech made by the hon. member for Port Arthur (Mr. Fisher). That hon. gentleman has quite a command of the English language. He has a habit of speaking like a college professor, almost humble at times but at the same time seeming to exhibit great authority with regard to the subject, as one who has done considerable research and who is thinking deeply about the problems besetting us.

I confess, Mr. Speaker, that in listening to his remarks today, part of them did seem somewhat like an analysis of some of the problems of unemployment in this country, but I suggest that it was all too shallow. The hon. member made a long speech which touched but gently and very lightly on some of the most obvious headings under which this subject can be discussed, without probing deeply to find out if any of these topics had a bearing on unemployment, which had the strongest bearing, which needed government attention and which had had the most government attention. Certainly the hon. member made a speech which sounded very wise, and I am sure it will be taken to heart for about as long as he spoke; because it sounded good. There was much more of art than matter in his speech.

The question of unemployment can be discussed under several headings. I can only speak of the actions which were being taken by the government at the time I entered the house in 1958. I can well recall when the unemployment situation started to get better. The short term project of pouring government money into housing was the first step taken. Here was a way that jobs could be provided immediately and results achieved at once for government funds spent. At the same time the government tried to press on with public works projects. Some which had been planned before were speeded up, and

every department scraped around to try to find more government projects which could be proceeded with immediately, instead of in the years to come.

I will admit that those are short term measures. There was some unemployment in 1958. In fact, it soon became apparent that as the effects of automation hit this country year after year, we were going to continue to have a serious unemployment problem for some time. Automation was throwing people out of work faster than we could put them to work. At the same time, the new and revised industries in other countries, such as Germany, Italy and Japan, were flooding world markets and pushing us out of our traditional selling places. They were going farther than that. They were making serious inroads into Canadian markets, so that our own manufacturers had a more difficult time trying to hold their own, without considering expansion.

This is the heart of the problem, automation, Mr. Speaker. In order to compete successfully against their competitors, Canadians had to put in that type of machinery and institute that type of process which their competitors had. This required smaller and smaller quantities of labour to produce larger and larger quantities of goods. At the same time, the market was shrinking and we had ever increasing demands for jobs. Certainly, no one in the government of that day took the problem lightly. I sometimes felt that some people did not grasp the full impact of the size of the problem. However, many minds worked very hard on it. I may say, sir, that there were some good debates on the subject and some worth while ideas were brought forth. I can honestly say that I believe every avenue of governmental activity, every method of government assistance to industry that sounded at all practical, was taken up. Some of these schemes were put into force, while others were merely in the planning stage.

While providing this new machinery to meet automation, we had to concentrate on the problems of Canadian businessmen in getting the necessary capital. This was at a time when our country had its balance of payments difficulties. There were new and increased demands, and yet heavier borrowings in world markets. We set up planning boards combining business, labour and government, to study how we could attack the problem. We increased the powers and the lending capacity of the industrial development bank to try to ease the money situation. We provided small loans for businessmen. We instituted a winter works program to try to spread the work around the year. We increased farm loans and brought in various extensions to farm legislation in the feeling that if the farm economy is healthy it helps the whole economy of the country. In fact, no avenue of short or long term assistance was overlooked.

The shipbuilding industry was hard hit, so we put in shipbuilding subsidies. The coal mines of Nova Scotia were in danger of closing so they were given rail subsidies. There was a feeling that, the greater the total development wealth of the country the better was our chance of surviving as an industrial nation. A program of national development was therefore instituted. There were roads to the north, new airports, new government buildings to open up new possibilities and fields of wealth. There were the forest access roads to open up new forests.

Co-operation with the provinces was not overlooked. Since this is a federal system and the provinces have their responsibilities, powers and opportunities to take care of so many of these problems, the provinces themselves were given a larger share of tax revenue to enable them to carry out broad, ambitious schemes. We had to attack unemployment, not remotely but in every manner in which it could be influenced by governmental activity, every potential activity in the country.

I should like to refer to the extension and expansion of the efforts of the Department of Trade and Commerce, which was one more cog in the strengthening of this machine. It is no accident that the Department of Trade and Commerce increased the number of its representatives abroad. It was the result of careful planning that brought these representatives home to train them in new roles and send them out to these new countries with a new dedication, a new purpose and a new spirit. No longer were they acquiescent representatives, but active, aggressive salesmen alert to the opportunities for Canadian businessmen.

Along with these opportunities for sales, the government assumed a greater responsibility. It was not a case of saying: Here is your chance for a sale, make it if you can. Certainly some of these potential sales carried a great deal of risk. There was a chance the customer would not be able to pay. You can always find more customers if you can give credit. The government was responsive by helping to give export credits insurance to those who made their own scheme. All of these measures were directed toward the industrial development and expansion necessary to provide jobs.

There were other methods taken. There are other problems to be faced. We had a lot of depressed areas. Special legislation was introduced to try to spread the benefits of

government assistance across the nation in an equitable way. We found that in coping with the demands of automation for new machinery, we had to provide new pools of labour. Canada had been a supplier of raw materials for years, and suddenly we found ourselves in a machine age. We had to buy the new machines and provide the money to do it. Then we found we had to supply the skilled workers, and we did not have them. It came as a bit of a shock to find that Canadians were amongst the poorest educated people in the world. It had always been so easy to make a good living in this country, in this land of opportunity, that there was not the pressure on young people to develop skills. Once we found ourselves in this era we had a call for skilled help, just as they had in Europe. We found we were unable to provide it. While every day there were long columns in the newspapers for jobs wanted, people searching for work, there were other long columns of employers desperately searching for skilled workers that we could not provide.

This, of course, gave rise to the training scheme. While education is a provincial responsibility, it became apparent that the federal government would have to intervene if we were going to meet this problem. We had to take on that responsibility as part of the job of getting Canada rolling and ready to take its place in this new industrial age.

May I call it ten o'clock, Mr. Speaker?

At ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Tuesday, November 5, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. WOOLLIAMS—STATEMENT BY MINISTER OF JUSTICE RESPECTING HAL BANKS

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I rise on a point of privilege affecting the hon. members of this house. My question of privilege is on two grounds, and refers to a statement made yesterday by the Minister of Justice with reference to Mr. Banks.

My first point of privilege is that the minister misinformed the house with reference to the issuance of a warrant and the date of a warrant for Mr. Banks' arrest. My second point of privilege is that the minister said it was against public policy to disclose those facts. In answer to my point of privilege yesterday and to questions asked by the Leader of the Opposition, myself, the hon. member for Medicine Hat and the hon. member for Winnipeg North, the Minister of Justice, when pressed after several questions, replied as follows, as reported on page 4354 of yesterday's *Hansard*:

> Well, Mr. Speaker, a number of those questions have already been answered. The charge was laid in Montreal. It was laid against Mr. Banks. It was laid on October 23, and on October 31 search warrants were issued arising out of these charges. In so far as the last part of the question is concerned, I do not believe it is in the public interest to give that information.

Now, Mr. Speaker, let us deal with the facts. Since listening to the Minister of Justice yesterday I have had the courthouse records checked. I say that with regard to the major point on which we sought to get information yesterday, the question of the date, the Minister of Justice misinformed the house.

Here are the facts, as gained from searching the courthouse records. On October 23 an information was laid by Joseph MacLeod, R.C.M.P., that Ernest Paul Carsh, Eldon Richardson alias Jack Richardson, Hal Banks, and Jack Caspar of California and other persons unnamed did conspire to commit bodily harm.

May I pause here. Several days ago we asked to be told the date of the alleged offence. The Minister of Justice stated it was around August, 1957. According to the charge it was a continuing offence from January 1 to August 31, 1957.



And now we come to the most important point. According to the answer, the search warrant was issued on October 31. On what date was the warrant for arrest issued? This may seem to be quibbling about time, but time is of the essence when a man such as Banks is at large charged with a criminal offence. On October 23 a warrant was issued for their arrest. Search warrants were issued by Judge Trottier for the homes of Carsh, Banks and Richardson and for S.I.U. headquarters. In brief, on October 23 a warrant was issued for the arrest of Banks. In other words, at the time Banks was here on parliament hill there was a warrant issued for his arrest, but it was not executed.

As to the other warrants of October 31, let me explain the circumstances briefly. On that date search warrants were issued. For what? They had nothing to do with the conspiracy charge. In this regard I say the Minister of Justice misinformed the house. On October 31 search warrants were issued. No charges were laid. They were in respect of the alleged violation of section 268 of the Canada Shipping Act, enticing to desert. Involved as subjects of the allegation were 16 sailors of the motor vessel *Franquelin*, Montreal registry. Nothing was found at Banks' home. In other words, at the time the charge was laid on October 23 there was a warrant issued for the arrest of Banks. The Minister of Justice left the impression that this warrant was not issued until October 31.

**Some hon. Members:** No.

**Mr. Pickersgill:** Read the statement as you read it before.

**Mr. Speaker:** Order. I am listening intently to the hon. member, but I would remind him this is not the time to make a speech. Please try to present your question of privilege as concisely as possible.

**Mr. Woolliams:** I am sorry if I have been sent down the wrong path, Mr. Speaker. My question of privilege is that the minister misinformed the house about the date. He said the charge was laid on October 23 and that on October 31 search warrants were issued arising out of this charge. We ask why Banks was not arrested. I point out once again that there was a warrant in force for the arrest of Mr. Banks contemporaneously with the laying of the charge.

**Hon. Lionel Chevrier (Minister of Justice):** I doubt very much whether the point the hon.

member for Bow River has raised constitutes a question of privilege. However, whether it be a question of privilege or not, I feel that what he has said should be answered.

I say at once that I did not misinform the house. I think what happened was this; the hon. gentleman did not read correctly the information which I gave to the house and he misinterpreted, either willingly or unwillingly, the information which I gave yesterday and prior thereto.

Let us see what the facts are. On Thursday last, when I rose to answer a question put by the hon. member for Ontario, I stated that a charge had been laid against Banks in Montreal for conspiracy to commit an assault occasioning bodily harm to Captain Walsh. That charge was laid on Wednesday, October 23, 1963 and not on October 31, as my hon. friend said a moment ago.

**Some hon. Members:** No.

**An hon. Member:** He did not.

**Mr. Chevrier:** That is the only charge that has been laid against Banks to date, although other charges against Banks and certain other officers of the S.I.U. arising out of the Norris report and the recent illegal strike are being considered.

At the same time that the charge was laid against Banks, similar charges were laid against men by the names of Richardson and Carsh. On Friday, November 1 and Saturday, November 2 search warrants relating to such charges and to possible conspiracy to contravene the Canada Shipping Act were executed upon various premises, including Banks' residence and the S.I.U. halls in Montreal, Toronto and Thorold. In some instances the search warrants were taken out at or about the same time that the charges were laid against Banks, Richardson and Carsh, and in some instances just before the searches were executed.

Warrants for the arrest of Banks, Richardson and Carsh were issued contemporaneously with or immediately following the taking and swearing of the informations relating to the charges. In the case of Banks such warrant, I have been informed by the special crown prosecutor, was executed at two o'clock this afternoon and Mr. Banks was put under arrest at that time.

These warrants were not executed immediately upon being taken out.

**Some hon. Members:** Why?

**Mr. Chevrier:** My hon. friends ask why, and I think they have a right to know why. That arises out of the question put by the hon. member as to why the warrant was not executed when Mr. Banks was here on parliament hill. It is my recollection, though I may be wrong—I will have to check—that they were not issued until after that time. They were issued some days later.

In answer to the question which was put, the first concern of the government in the matter of the strike was to get the men back to work. Having got the men back to work and having got the ships and the grain moving, the next concern of the government was to keep the men on the job on the ships. I thought, rightly or wrongly, having regard to these circumstances, that when the trustees were entering upon their duties as trustees of the union I should not, when one department was acting in one direction, attempt to interfere with the duties of those trustees. That explains the reason we did not proceed. I did not consider it would be good timing at that time. As minister I was bound to take into account the whole situation, and with all respect to members of the house I have taken that situation into consideration.

Having regard to the fact that the matter has been disposed of in so far as the arrest at least of one person at two o'clock is concerned, I should think, Mr. Speaker, that that disposes of the question of privilege.

**Mr. Speaker:** In view of the general interest in this matter I have allowed the discussion to go on a little longer than is perhaps justified. However, I am sure hon. members will not object if I call to their attention Beauchesne, fourth edition, citation 104, subsection 5:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity. If he is not so satisfied he may allow the member to make a statement with a view to ascertaining whether or not a prima facie case can be made out. The right of making complaint of a breach of privilege is open to any member of the house, and, even if an individual member alone is affected, is not confined to that member.

Then if we go to citation 113, which it may be useful to recall at this time, hon. members will find the following:

> Members often raise so-called "questions of privilege" on matters that should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or apply a remedy.

Then it goes on, and the point at issue is this, and I quote from the same citation 113:

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

It seems to me that those words apply to the present situation almost word for word.

I am sorry, but I do not see a prima facie case of privilege in the matter raised by the hon. member.

## TRADE

### WHEAT—ANNOUNCEMENT OF SALE TO POLAND

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I am pleased to announce that on behalf of the government of Canada I have this morning signed a long term wheat agreement with the government of Poland. In connection with the negotiation of the agreement it has been my pleasure to welcome to Ottawa Mr. Trampczynski, the Polish minister of foreign trade. Mr. Trampczynski, who I am pleased to say is in the gallery this afternoon, signed the agreement on behalf of his government.

The agreement is for a period of three years, during which Poland will purchase and Canada will supply 1.2 million metric tons of Canadian wheat, that is about 44 million bushels, for shipment in the following quantities: In the first year of the agreement, 400,000 metric tons, of which a minimum of 200,000 tons shall be shipped between the opening of navigation and July, 1964. In the second and third years of the agreement a combined total of 800,000 metric tons in such yearly amounts as the buyer chooses, provided that the quantity purchased in each of these years shall not be less than 300,000 metric tons.

Purchases under this agreement will be facilitated by the extension of credit arrangements under the Export Credits Insurance Act providing, as has been customary in all the transactions with Poland, for payment over three years. Poland has been a regular customer for Canadian wheat, having made its first purchases in 1955 under credit arrangements. Since that year Poland has purchased wheat from Canada annually, and these purchases have totalled 73 million bushels. The important new agreement signed today is evidence of the desire of both governments to provide for the continuation of this trade on a regular basis.

**Hon. Alvin Hamilton (Qu'Appelle):** Mr. Speaker, on behalf of all Canadians I should like to join with the minister in welcoming the minister of trade of Poland to our country, where he put into formal arrangements the long term agreement covering the continuing trade that has been going on for a number of years.

**Mr. Pearson:** Since 1955.

**Mr. Hamilton:** However, I would like to make one or two observations, and the first is that this is the second occasion we have had such an announcement made outside the house. It is understood that when parliament is in session, announcements like this should be made to the members of parliament first, but the minister is new and I know he has to learn.

The second point I want to make is that I trust and understand from the announcement, although it was not too clear on this point, that the price arrangement will be the traditional one, namely that the price will be set during the term of the first contract and each succeeding contract will be negotiated at the price existing at that time.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I am sure all hon. members of the house and the people of Canada generally will be pleased that the Canadian wheat board has been able to secure another agreement for the sale of wheat. The prairie farmers are now receiving the benefit of the long years they struggled to get a wheat board as the sole marketing agency for handling their grain.

If anything were needed to prove the value of such an agency, I think the events of recent months have gone far to do that. I believe it was Winston Churchill who once spoke about the new world setting out to redress the balance of the old.

**Mr. Pickersgill:** It was Canning.

**Mr. Douglas:** I think in our case the communist world is setting out to redress the financial imbalance of the western world, and we can be very thankful that the large purchases from east of the iron curtain are going to help Canada move this year toward a balance of payments.

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, this is another of the wheat deals that have been announced in the house recently, and we are happy to see a further sale of 44 million bushels of Canadian wheat. It is worthy of note in this particular case that the arrangements between the Canadian government and the Polish government back in 1955 actually set the stage for credit arrangements that have been so useful to the Canadian wheat board.

There is just one further thing I wish to mention at this stage, and that is that there is a problem in eastern Canada respecting feed grain. I hope the minister responsible for announcements by the Canadian wheat board, and others across the way, will take this matter under consideration at once, refer it to the committee on agriculture and colonization, and get that committee active so that we may make certain there will be adequate stocks in position, and at a reasonable price, for the ensuing months.

*Sale of Wheat to Poland*

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, this new sale of Canadian wheat to Poland gives proof that several countries are interested in securing some of this important wheat production we have in Canada.

It seemed to me, as I heard the Minister of Agriculture make the announcement with respect to the agreement signed this morning between the Polish government and the Canadian government for the sale of 44 million bushels of wheat, that he could also have informed us of a meeting between himself, the officials of his department and eastern farmers with a view to reaching an agreement with eastern farmers for selling wheat to them under similar terms.

There is another very important point. When the Minister of Agriculture meets delegations made up of visitors from foreign lands, he could perhaps take this opportunity to point out to them that we have in eastern Canada surpluses of apples, potatoes, wool and lumber. We even have gold and copper we could export, and then steel, milk and foodstuffs. Why not offer those buyers, at the same time, the things that are available in Canada?

I am merely urging the Minister of Agriculture to consider the field of agriculture not only in terms of wheat but also in terms of Canadian products in general.

We sincerely approve of this new wheat sale to Poland, but, as I said, the same opportunities should be given to eastern farmers.

[*Text*]

[*Later:*]

On the orders of the day:

**Mr. Thomas M. Bell (Saint John-Albert):** I should like to direct a question to the Minister of Trade and Commerce arising out of his statement on the sale of grain to Poland. He said that this grain would not be shipped until the open season. Is there an inference that maritime ports are to be scrapped the minute summer comes? If not, will the minister give every assurance that maritime ports will take part in this grain activity all year round?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** I can certainly give assurance to my hon. friend that we will need all our ports operating at full capacity from now until the Russian contract is filled. Thereafter I would hesitate to be definite, but I would say that the prospects are much better now than they have been at any time in the last six years.

[Mr. Olson.]

## PUBLIC SERVICE

GLASSCO COMMISSION—IMPLEMENTATION OF REPORT

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, recently I promised the hon. member for Danforth and the hon. member for Calgary North that I would make a statement this week with respect to the implementation of certain recommendations of the royal commission on government organization. The government's intentions have already been made known with respect to the development of a common procurement agency, as recommended by the royal commission, and the realignment of duties and functions affecting the printing bureau. This present statement covers a considerable number of additional recommendations on which decisions have now been made.

The additional recommendations of the royal commission which have now been approved cover a wide range of subjects dealt with in the first three volumes of the report. They include recommendations dealing with financial management; personnel management; purchasing and supply; transportation; telecommunications; printing and publishing; the "make or buy" problem; legal services; economic and statistical services; public information services; education services; health services; lending, guaranteeing and insuring; post office; and other services. As the full list of recommendations now approved, including those covered by this latest decision, is relatively long, numbering more than 60, I wonder if the house would agree that instead of reading them all I might table the list. My office will be ready to provide this list to all those hon. members who may ask for it. An opportunity will be presented, in the consideration of the estimates for 1963-64, to discuss the details of these recommendations if any member wishes to do so.

I should point out, of course, that this list does not by any means represent all the recommendations made by the royal commission under the headings I have mentioned. It does represent those recommendations which the government, under the procedures it has established, has been able to review to date, and with respect to which the government has indicated its agreement in principle. Having accepted them in principle, the government will now work toward their implementation.

The process of review of the recommendations of the royal commission is continuing and, as further decisions are made by the government, the house will be informed from time to time.

**Mr. Speaker:** Does the house give consent to the tabling of this list?

**Some hon. Members:** Agreed.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, when the hon. gentleman assumed the position of President of the Privy Council and took over the administration of the bureau of government organization, it was felt by many that he had little enthusiasm for the recommendations of this commission. Today we have had a list of generalized items, but it is impossible to say how far the government has gone. On its face it appears that the purpose for which this commission was set up, namely to bring an end to waste, extravagance, duplication of services and red tape, has been lost sight of by this government.

The hon. gentleman mentioned that some 60 items are dealt with. Those will have to be studied. Having regard to the experience of the past it may be a list barely touched in any way. I can only say that on the basis of the experience we have had, this government is giving but lukewarm support to the recommendations which were made, which were designed to bring about the changes I mentioned a moment ago as well as to end the governmental administrative jungle that has accumulated through the years and has mushroomed since the second world war.

It is now clear, on the basis of the experience we have had, that except for minor changes the commission report in the main is going to be pigeonholed. These items which are referred to are, generally speaking, the insignificant recommendations. There are some recommendations which naturally will not be accepted, but I would say to the minister that in mentioning that 60 cases have been considered, from the experience we have had to date the dribbles have been proceeded with by the government but the major reasons for the recommendations and the recommendations themselves have been neglected.

However, we will have an opportunity of looking over this list in detail when the estimates are before the house. In the meantime I think Canadians as a whole will feel that this is just another example of 60 days of promises without carrying those promises into effect. What has been done is merely to touch the edge and to pretend that the recommendations are being carried out.

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, the minister's statement was almost useless to us in that he did not give us any kind of framework on which the government is approaching this matter. He has given us a list. We will have to look at the list to see whether it contains anything significant. He gave us no indication as to what estimates will be affected; I suppose these changes will apply to almost every department. Does this mean that we will have to hare from one department to another on the estimates in order to find out what is going on, or is the government prepared to make some provision when discussing the estimates to enable us to quiz the President of the Privy Council and Mr. Davidson, who is advising him, and get the picture once and for all of all the changes relating to this royal commission? That is all we have to say at this time.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, we are glad to see that the government is taking some action toward clearing up the accumulated government jungle which has gathered during the last few years. We hope that this is a sign of better things to come.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I think it requires quite a stretch of the imagination for us to be able to congratulate the government following the statement just made by the President of the Privy Council (Mr. Lamontagne), since it was devoid of meaning and had no other purpose than to announce something about which we had not been previously advised. It had to do with some sort of reform.

We would rather wait before offering our congratulations, since before throwing bouquets, we want to know why. Otherwise, we might be inclined to throw in the vase also.

[*Text*]

**Mr. Pickersgill:** Mr. Speaker, I am rising on a point of order to suggest most respectfully to Your Honour that the attention of the house be drawn at an early date to the rules respecting comments on motions.

**Mr. Diefenbaker:** Mr. Speaker, I would also rise to say that statements made by ministers might very well be avoided altogether if they do not contain more information than this.

[*Later:*]

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. My question arises out of the list that he tabled today. Can the hon. gentleman assure us that in making these changes in government organization there is no conflict with the right of collective bargaining which the government has undertaken to give to its civil servants? In other words, is there liaison between the

bureau of government organization and the committee studying the question of collective bargaining for the civil service?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, that liaison exists at present, and I am not aware that any conflict has arisen out of the implementation of these recommendations.

## CANADIAN BROADCASTING CORPORATION

REPORTED INTENTION TO INCREASE SALARIES OF SENIOR EXECUTIVES

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 and ask him whether the article in today's Ottawa *Journal* by that eminent reporter Richard Jackson—

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** I am glad to see the general applause in that connection—that salary increases are in the works not only for Alphonse Ouimet but for the whole senior executive echelon of the C.B.C. is correct. The report goes on to say that $35,000 or $40,000 will be the salary, and that this matter is before treasury board. Is that correct?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I do not have the advantage, as does the right hon. gentleman, of advance copies of the Ottawa *Journal*, so I have not yet had a chance to read the observations of that eminent friend of the right hon. gentleman. The right hon. gentleman reminded us yesterday that in asking and answering questions we should obey the rules. One of the rules is that a question cannot be asked or answered with respect to the accuracy of newspaper stories.

**Mr. Diefenbaker:** Then I ask the hon. gentleman this. Is it not a fact that there is before treasury board a proposal for an outrageous lift in the salaries of the head of the C.B.C. and other officials?

**Mr. Pickersgill:** As you reminded us last Thursday, Mr. Speaker, adjectives like "outrageous" are out of order when questions are asked. Of course there is no suggestion before treasury board of any outrageous increase in anyone's salary.

[Mr. Knowles.]

## UNITED NATIONS

PROPOSED STUDY OF CREATION OF NUCLEAR FREE ZONES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** May I direct a question to the Secretary of State for External Affairs. A report from the United Nations indicates that the Polish government has approached Canadian representatives to enlist support for a resolution calling for a detailed study by the Geneva disarmament committee of the possibility of creating nuclear free zones in various parts of the world. I should like to ask the hon. gentleman if such a request has been received by the Canadian government or by its representatives at the United Nations, and whether the Canadian government will support such a resolution.

**Hon. Paul Martin (Secretary of State for External Affairs):** There have been consultations between members of the Canadian delegation and certain countries at the United Nations with respect to the proposal for nuclear free zones. The Canadian government has already made clear the criteria which it believes must be accepted before we could agree to such a proposal. These criteria are now being examined and the whole question will be judged accordingly.

**Mr. Douglas:** Would the minister care to indicate the criteria which we are setting forth as the conditions upon which we would support such a motion?

**Mr. Martin (Essex East):** Yes, I should be glad to indicate that the consent of the countries concerned in the proposed zones is an essential consideration.

**Mr. Douglas:** Is one of the other criteria this, that there be an assurance that the step would not disturb the existing east-west military balance? If so, is it one which rules out Europe, Asia and the Pacific, at least?

**Mr. Martin (Essex East):** I am sure the hon. gentleman would be the last person to suggest that considerations of this nature should not be borne in mind.

## LABOUR RELATIONS

MARITIME UNIONS—REQUEST FOR REPORT BY TRUSTEES

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** I should like to address a question to the Minister of Labour arising out of a number of press reports this morning describing some of the activities of the trustees who are now in charge of the maritime unions. When does the

minister anticipate bringing a report to parliament so that members here may be fully and accurately informed of the progress of the administration of this trusteeship?

**Hon. A. J. MacEachen (Minister of Labour):** A week ago yesterday I spoke to the chairman of the board of trustees, as I indicated I would do in a reply I gave earlier to the hon. member for Winnipeg North Centre, with respect to the provision of interim reports to the House of Commons. The chairman of the board of trustees indicated his readiness to provide such reports, but felt he ought to get settled into his job before he undertook to make his first report. This, I thought, was reasonable.

## DOMINION-PROVINCIAL CONFERENCE

ATTENDANCE OF MEMBERS OF OPPOSITION PARTIES

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I direct a question to the Prime Minister?

Is it the Prime Minister's intention to invite observers from the political parties in the opposition to the federal-provincial conference which will take place at the end of November, in order to make it easier for them to understand the problems which will arise in the house later on?

[*Text*]

**Mr. Speaker:** This surely is a question for the order paper.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on a point of order. I think this is a most important and urgent matter, as the federal-provincial conference is to take place two weeks from now and the question, if put on the order paper, would not be answered before the conference. Anyway, I think it is possible for the Prime Minister to answer when asked whether he proposes to invite observers and not whether it is an actual fact.

[*Text*]

**Mr. Speaker:** Perhaps the hon. member has a point. If the Prime Minister is prepared to answer there will be no objection.

[*Translation*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the answer is no.

**Mr. Gregoire:** Mr. Speaker, may I ask a supplementary question? On July 16 last, I asked the Prime Minister the same question according to page 2235 of the official record, and he answered that this was a most interesting proposal, but that he had to consult the provincial governments before making any decision. Does the Prime Minister still think such proposal interesting? If not, would the reason be that he did not consult the provincial premiers?

[*Text*]

## WORLD FAIR

PROPOSED SHARING OF TRANSPORTATION COSTS OF VISITORS

On the orders of the day:

[*Translation*]

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, may I put a question to the President of the Privy Council?

I would have liked to address him as "Sir Maurice", but this is contrary to the standing orders.

I would like to ask him whether it is the intention of the government to agree to the suggestion made by the mayor of Montreal, Mr. Drapeau, asking the federal government to pay part of the travelling expenses of Canadians who will be going to Montreal to visit the world fair?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, I feel quite sure that my hon. friend will be knighted before I become Sir Maurice, particularly if I am to be knighted by those who have suggested it.

As for the second part of the question, I think it should be put on the order paper.

[*Text*]

## DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO TERMINATION OF JOINT PLANS

On the orders of the day:

[*Translation*]

**Mr. Heward Grafftey (Brome-Missisquoi):** Mr. Speaker, I wish to direct a question to the President of the Privy Council. He said, yesterday in Toronto, that the federal government should withdraw from the joint programs; could he tell the house whether he was expressing the views of the present government?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, I only repeated yesterday what the present government itself has often said.

[*Text*]

## TRANS-CANADA AIR LINES

REPORTED RECOMMENDATION THAT U.S. PLANES BE PURCHASED

On the orders of the day:

**Hon. Paul Martineau (Pontiac-Temiscamingue):** I wish to address a question to the Minister of Transport. Would the minister

confirm a report that Trans-Canada Air Lines has now recommended the purchase of United States DC-9 jet liners in preference to the Caravelles which would have been built in Montreal?

**Hon. G. J. McIlraith (Minister of Transport):** That is a loaded question. I should be happy to give an answer on the subject if the hon. member would obey the rules of the house and put it in the proper form.

**Mr. Martineau:** I do not know what the minister means by a loaded question. Perhaps he means he would be embarrassed to answer it, or that he wishes to avoid it. In any event I will ask him a simple, direct question. Has T.C.A. made a recommendation with regard to its acquisition of DC-9 jet liners?

**Mr. McIlraith:** I would ask the hon. member to rephrase his question.

**Mr. Martineau:** I think the minister is being most unreasonable, Mr. Speaker.

**Mr. Speaker:** Order. This is no time at which to enter upon a debate. The minister was, I think, correct in calling attention to the wording of the first question. The second one in my opinion could easily be placed on the order paper. It is not so pressing as to come within the rule.

**Mr. Martineau:** On the point you have just raised, Mr. Speaker, may I say this involves an order worth $200 million and is of serious concern to the national economy. In view of the reports in the papers I should have thought the minister would be glad to clarify the situation.

**Mr. McIlraith:** I am very happy to clarify this situation, but I will not answer loaded questions employing a technique usually found in some of our police courts. If the hon. member wishes to know whether Trans-Canada Air Lines have presented their report to the government, which is the technical evaluation of their aircraft selection committee, then the answer to that question is yes. But I will have no part in answering the other half of these loaded questions.

**Mr. Martineau:** May I ask the minister a supplementary question, then. Does the government intend to act according to the recommendation contained in the report?

**Mr. McIlraith:** The matter has not yet been submitted to cabinet.

[*Later:*]

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I think that the hon. member for Dollard (Mr. Rouleau) is in a position to answer the question of the hon. member for Pontiac-Temiscamingue.

[Mr. Martineau.]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to put a supplementary question to the Minister of Transport with respect to the purchase of aircraft by Trans-Canada Air Lines. Would the minister tell the house whether he intends to wait for the directors of T.C.A. to appear before the sessional committee of the house before choosing the aircraft which will be used by the air lines?

[*Text*]

**Mr. McIlraith:** No, Mr. Speaker. As to purchases made by T.C.A., it would not be my intention that a decision should necessarily be deferred until the committee meets. I might add that I hope the committee is set up soon.

**Hon. Leon Balcer (Three Rivers):** A supplementary question. I wonder if the minister could tell us whether he intends to wait for the report of the cabinet committee which at the present time is investigating the possible merger of our two major air lines.

**Mr. McIlraith:** I am not aware of any such cabinet committee.

[*Later:*]

**Mr. George Muir (Lisgar):** Mr. Speaker, my question has been partially answered by the answer to the question submitted by the hon. member for Pontiac-Temiscamingue, but I should like to direct a question to the Minister of Transport. Considering Canada's huge adverse balance of trade with the United States, would the government give consideration to not purchasing $200 million worth of United States built DC-9 jet aircraft for T.C.A. passenger service, as suggested in the Ottawa *Citizen* today?

**Mr. McIlraith:** Mr. Speaker, the government in studying this matter will consider all relevant factors.

## HOUSE OF COMMONS

### SUGGESTED CHANGE IN CHAIRMANSHIP OF BANKING AND COMMERCE COMMITTEE

On the orders of the day:

**Mr. J. H. Horner (Acadia):** I should like to address a question to the Prime Minister. In view of the financial irregularities disclosed in the MacKay report, does the Prime Minister propose the appointment of a new chairman for the banking and commerce committee?

**Right Hon. L. B. Pearson (Prime Minister):** Surely that question is out of order. If the hon. member has any accusation or charge to make against a member of this house perhaps he would make it.

**Mr. Speaker:** Order. In view of the question and the statement in reply, may I say the hon. member knows there is procedure provided under standing orders for making charges; also that the Chair is subject to those standing orders, and cannot allow a question in the form asked by the hon. member. On the other hand, if he wishes to prefer charges he knows what to do. But I believe the answer of the Prime Minister was quite correct.

**Mr. Horner (Acadia):** Mr. Speaker, I have no intention of laying charges—

**Some hon. Members:** Order.

**Some hon. Members:** Sit down.

**Mr. Horner (Acadia):** I think the charges are amply laid in the Montreal *Star* of October 31. I should like to rephrase my question to the Prime Minister if I may. Can we take it then that the hon. member for Notre Dame de Grace qualifies as chairman of the banking and commerce committee because of his handling of certain real estate transactions and the profits thereon?

**Some hon. Members:** Shame.

## PENSIONS

BLIND AND DISABLED PAYMENTS—REQUEST FOR INCREASE

On the orders of the day:

**Mr. A. D. Hales (Wellington South):** Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. It arises from a number of inquiries I have had from recipients of old age assistance and disabled and blind persons pensions who are wondering whether they will receive a $10 increase before Christmas similar to that given to old age security pensioners.

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, I am sure my hon. friend is aware that I have been asked similar questions several times, and I have replied to the same effect, that this matter is up for discussion at the conference to be held on November 25 between the dominion and provincial governments.

## IMMIGRATION

REQUEST FOR ENCOURAGEMENT OF FRENCH SPEAKING IMMIGRANTS

On the orders of the day:

[*Translation*]

**Mr. Maurice Lessard (Lake St. John):** Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. Can he tell the house if the officials of his department do as much advertising to attract French speaking immigrants as they do to attract English speaking ones, particularly in view of the fact that 20,000 English speaking immigrants came to Canada compared to only 2,800 French speaking ones?

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** Mr. Speaker, personally, I am sure that no discrimination is shown by the officials of my department in favour of one group against another. However, if any evidence of discrimination came to my notice, I would put a stop to it. Moreover, I must assure the house that I have the firm intention of seeing to it that the same insistence is shown and the same efforts are made to favour the immigration to this country of any suitable group.

[*Text*]

## NORTHERN AFFAIRS

HAINES ROAD—NEGOTIATIONS RESPECTING MAINTENANCE DURING WINTER

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, has the Secretary of State for External Affairs or the government caused negotiations to be opened yet with the United States, or will negotiations be opened with United States concerning the ground or road communications network in the Yukon and Alaska?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, my hon. friend gave me notice of his intention to ask this question. On October 25 a note dated October 24 was directed to the government of the United States, through its embassy in Ottawa. In this note the government of Canada indicated that the Department of Public Works had been granted authority to negotiate directly with the state of Alaska for the rental of road maintenance equipment in order to keep open on an experimental basis during the approaching 1963-64 winter that section of the Haines road not now kept open under other agreements. Late yesterday the United States government indicated its willingness to enter into such negotiations.

**Mr. Nielsen:** A supplementary question. In those negotiations will the representatives of the Department of Public Works present the case for the use of Canadian equipment and Canadian labour in the maintenance of the Canadian section of this more than two thirds Canadian road?

*Inquiries of the Ministry*

## SUGAR

REPORTED STATEMENT RESPECTING REASON FOR PRICE INCREASES

On the orders of the day:

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, yesterday the hon. member for Skeena asked me to comment on the statement made by Mr. Arthur E. Beeby, executive vice president of Salada Foods, having to do with sugar price fluctuations. The hon. member referred to Mr. Beeby as having said in effect that "the recent series of increases in sugar prices cannot be explained on the basis of supply and demand, that there is no world sugar shortage", and that as a major Canadian buyer of refined sugar he was forced to the conclusion that the rise in cost of this staple food item on world markets did not result from demand but from speculation.

I asked the director of research in the combines investigation branch to inquire into this situation. The director communicated with Mr. Beeby and he has advised me of the following and has also obtained the permission of Mr. Beeby to disclose what I am about to say.

In his statement Mr. Beeby was not alleging any fact that in his opinion discloses a breach of any provision of the Combines Investigation Act. He also did not purport to suggest that the government can adopt any measure that can control or influence the price of sugar in the world market; nor did he suggest any step that the government might take to affect the domestic price of sugar in Canada. He stated that his purpose in issuing the statement was to warn Canadians of the fact that as a manufacturer his company is faced with rising sugar costs, which he considers Canadians are helpless to control and which will inevitably affect the price of his company's products.

This statement was reread by the director to Mr. Beeby, and he said that he agreed with it.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** May I ask a supplementary question. Since the government has not been able to secure from Mr. Beeby a policy to deal with this shameful profiteering, what does the government propose to do about it?

**Mr. Chevrier:** I understand that the hon. member is going to raise this question as a grievance this evening after 8.15. I have been given that indication, and if he does so I will be delighted to deal with the problem. To answer the hon. member's question, he knows quite well that the most effective way in which to deal with this sort of problem is by means of price control, and if I understand the constitution of this country aright that is a matter which falls under the jurisdiction of the provinces.



## ARTS, LETTERS AND SCIENCES

OTTAWA—REQUEST THAT PUBLIC SIGNS BE BILINGUAL

On the orders of the day:

[*Translation*]

**Mr. Lucien Plourde (Quebec West):** I wish to direct a question to the Prime Minister.

Could the federal government suggest to the city of Ottawa to turn its cultural policies towards practical bilingualism?

Ottawa being the capital city of Canada, would it not be advisable to have street indications and all other public signs made out in both official languages?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, in so far as it is within the authority of the federal government we will do everything we can to increase bilingualism in this country.

## AGRICULTURE

REQUEST FOR STORAGE SPACE IN MONTREAL FOR ONTARIO CORN

On the orders of the day:

**Mr. J. A. McBain (Elgin):** Mr. Speaker, I wish to direct a question to the Minister of Transport. Has the minister received a telegram under date of November 1 from the president of the association for the development and protection of eastern agriculture requesting immediate storage space in Montreal national harbours board elevators for 200,000 bushels of Ontario feed corn? If so, what steps is his department taking to assure eastern poultry producers and feed mill operators that adequate space will be available to store Ontario corn that is now being harvested, and thus eliminate the necessity of importing higher priced United States corn?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, unfortunately the hon. gentleman did not give me notice of this question. I have no recollection at this moment of the telegram having been received, but I will be glad to look into it.

SHORTAGE OF WATER IN ONTARIO—REQUEST FOR FEDERAL AID

On the orders of the day:

**Mr. Charles Lamb (Victoria, Ont.):** I should like to ask the Minister of Agriculture whether he has done anything in connection

with the severe water shortage. I know it has become a great burden to many farmers in Ontario.

**Hon. Harry W. Hays (Minister of Agriculture):** This morning at a quarter after ten I was speaking to the minister of agriculture for Ontario. He said they were right on top of this situation, but if they needed help they would call us and I assured him we would be standing by ready to help.

## HOUSING

### FALCONBRIDGE NICKEL—PROPOSED MORATORIUM ON N.H.A. MORTGAGE PAYMENTS

On the orders of the day:

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, on Friday last the hon. member for Yukon raised the question of a moratorium on mortgage payments for homes purchased under the National Housing Act by Falconbridge employees.

I am sure the hon. member will understand that it would not be possible to arrange a blanket moratorium on all National Housing Act mortgage payments for employees of Falconbridge mines who may become unemployed. Central Mortgage and Housing Corporation does not normally make a practice of postponing monthly payments. If a borrower is unable to make the monthly payment due to reasons beyond his control, the corporation is prepared to discuss the problem with him, and it is usually possible to make an arrangement mutually acceptable to the borrower and the corporation. Such an arrangement may involve a partial monthly payment only. The extent of this type of assistance given depends on the consideration of each individual case, and only such assistance as each case warrants is given. It is for this reason that borrowers in difficulty are encouraged to discuss their problems with representatives of the corporation.

I should like to assure the hon. member that each case will be considered with sympathy on its own merits.

## EXTERNAL AFFAIRS

### HONG KONG—CONTINUATION OF EMERGENCY RELIEF MEASURES

On the orders of the day:

**Hon. W. G. Dinsdale (Brandon-Souris):** I should like to direct a question to the Secretary of State for External Affairs. In view of recent announcements concerning increased assistance to commonwealth countries, can the minister inform the house if the government has now decided to continue the emergency food program to Hong Kong, which was cancelled by the present administration? An answer to this question was promised on July 24 last.

**Hon. Paul Martin (Secretary of State for External Affairs):** I am sorry if there has been any delay in bringing this question to my attention. I shall take it as notice.

## TRANSPORT

### RICHELIEU WATERWAY—INQUIRY AS TO PROGRESS OF DISCUSSIONS

On the orders of the day:

[*Translation*]

**Mr. Marcel Lessard (Lake St. John):** I have a question for the Associate Minister of National Defence.

There has been no mention of the proposed deepening of the Richelieu river for some time now. Does the minister, who used to be one of the promoters of that project, still care about it? What is he doing now to have it implemented in the near future?

[*Text*]

**Mr. Speaker:** This is a question for the order paper.

## PUBLIC WORKS

### REPORTED CONTRAVENTION OF ELECTION ACT BY MINISTER'S ASSISTANT

On the orders of the day:

**Hon. J. P. Deschatelets (Minister of Public Works):** Yesterday I was asked a question by the hon. member for Winnipeg North Centre concerning my executive assistant and certain sections of the Canada Elections Act. I wish to say that my executive assistant is now taking the proper steps to file his election expenses and so correct this situation.

**Mr. Stanley Knowles (Winnipeg North Centre):** I am very glad to know that the law is going to be kept by this gentleman.

## SUPPLY

The house resumed, from Monday, November 4, consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Starr, and the amendment to the amendment of Mr. Fisher.

### LACK OF MEASURES TO DEAL WITH UNEMPLOYMENT

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, last night I had completed about half my speech, but at closing time there are not nearly so many members in the house as I find now. Rather than see them all move out in such droves, perhaps I should appeal to

them in the language Shakespeare used in the first scene of Hamlet, when Bernardo said:

> Sit down awhile,
> And let us once again assail your ears,
> That are so fortified against our story—

I shall try to keep my remarks as brief as may suit the occasion, Mr. Speaker. I think I dealt pretty generally last night with what I believed to have been the pattern of the provisions the government undertook in dealing with the problems of unemployment. In essence, I think we said that the country had been changing from an agricultural country to a manufacturing one, and that we had the attendant problem of training people, finding markets, finding money, and all that was involved in such sweeping changes. I referred to the many dramatic actions by the former government. If we refer to the subamendment we find that it reads in this way:

> —and also the failure of the government to propose any plans for the fundamental economic and social changes required to deal with the chronic and growing problem of unemployment caused by automation and technological change.

I outlined, Mr. Speaker, the steps taken by the previous government, which were fundamental, in relation to the economy and the social strata of the country. Certainly we went beyond what was thought daring a few years ago. The government recognized the need to create an economic atmosphere to get private enterprise to flourish. We went beyond that. We found many fields in which the government had to give the lead, had to provide the money, had to take steps to find new ways to push private enterprise into new methods of doing things.

I would say, Mr. Speaker, that no one in this house would take me amiss if I were to say that we could add to that subamendment proposed by the New Democratic party the words "similar to the type of legislation brought in by the previous government." Considering how far we have gone, the wording of this subamendment cannot, by any reasonable stretch of the imagination, be taken to suggest socialism. We know that the concepts of government and of the needs of the country are changing so much that this subamendment merely describes the sort of bold, imaginative action taken by the previous government. I trust that all who are acutely aware of the problem of unemployment in this country will have no hesitation in backing it.

I know from having observed what has happened that a bond of friendship seems to have sprung up between the present Liberal administration and the Social Credit group. There is a strong suspicion in the house that they are going to be anxious to sustain the government. I know, on occasion, how pleased the government has been to find that little group of friends. I do not want to burden Shakespeare with the entire responsibility for my speech, but there are some words that appear in "Timon of Athens" which I thought would be appropriate when the Liberals are considering their friends the Social Crediters. These lines are as follows:

> O! what a precious comfort 'tis, to have so many, like brothers, commanding one another's fortunes.

Well, Mr. Speaker, I remember when the Social Crediters supported us, and when the New Democratic party supported us. When they thought they detected a rift in the Conservative party they thought it might be the appropriate moment to strike. They hoped that the trouble in our party might lead to further gains for theirs. They were sadly mistaken. Certainly this time I believe they must think carefully before they strike so recklessly again.

I know no member in this house can look at the actions taken by the present Liberal government and feel satisfied that any strong action has been taken against unemployment. Perhaps the words used by the Secretary of State on April 22 of this year, when the Liberals took office, were prophetic and reflected the real attitude of the members of this government. When he was asked what his feelings were, he said it was nice to be employed again after all those years of unemployment. I am sure we get the feeling that many members of the cabinet believe they have now licked their unemployment problem.

However, it is the unemployment problem of the country that requires action. Certainly there have been many dramatic experiments, shall I say, in connection with the budget. I could have said "horrible experiments". We were looking for something exciting, but we had something quite exciting in a different way. I think it was the first time in history that we nearly had a hanging after a budget. It was not just the people of this country who wanted to hang the Minister of Finance, but the Liberal backbenchers as well. I think the Prime Minister wanted to hang him, too, because of the embarrassment he had caused. There is nothing about this government that would give any hon. member of this house confidence in it, or the belief that it is capable of introducing legislation or instituting programs that are going to meet this ever-growing problem.

As was pointed out by the hon. member for Ontario, the best that can be said of this government is that they have had the good sense to follow much of our program. Whenever they failed to follow the Conservative program they did not get anything done. In so

far as the vote tonight is concerned, it is not a question of whether this party will vote against the government; it is a question of whether all opposition parties will vote together against the government.

I suggest they should. I know the amendment will cause considerable soul searching. However, I remind the small groups that they voted for what they thought were the interests of their parties the last time, no matter what it cost the country. They failed to serve the best interests of the country, because after that vote on February 5 last this country was saddled with this inadequate Liberal government. I am suggesting they do a little soul searching now to see if they cannot find it in their hearts to vote in the best interests of the country this time.

I should like to call once more upon Shakespeare, since his language is much better than mine, to explain the dilemma in which these small parties find themselves now. If the house will bear with me, I was not able to learn this well enough to give it without reading it. It is the famous speech by Hamlet, the soliloquy "To be or not to be," Shakespeare in a modern version:

To vote or not to vote; that is the question,
Whether 'tis nobler of this house to suffer
The slings and arrows of outrageous government
Or to take sides against a sea of bunglers
And by opposing end them; to vote; to defeat;
No more; and by a defeat to say we end
The confusions and the many rude shocks
Our economy is heir to, 'tis a consummation
Devoutly to be wish'd. To vote; to defeat;
To defeat, to fight another time; ay there's the rub;
For in that fight of ballots what defeats may come
When we have shuffled off this parliament
Must give us pause. There's the respect
That makes travesty of such a life;
For who would bear the government of the time
Their terrible mistakes
Their contempt of parliament
The death of hope, the laws delays
Their insolence in office and the spurns
Of good advice that these unworthies make
When he himself might order bring
With a bar vote. Who would Gordon bear
But that the dread of something after dissolution
The next election from whose wars some will not return
Puzzles the will, and makes us rather bear incompetents
That we have, than risk others that we know not of.

I am sure, Mr. Speaker, I will get lots of good advice from various parts of the house that if I can only even borrow from language like that, then perhaps I have more future as a poet than a politician. I hope the Social Crediters, the Creditistes and the New Democratic party will all be voting with the Conservatives tonight against the government, and I may say that this matter of a mid-winter election strikes fear into the hearts of none stronger than it does into the Liberals. I had hoped at this stage to hear some advice like Macbeth gave the witches, "Stop, you imperfect speakers, tell me more", but I am afraid my course is run.

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, we have before us an amendment and a subamendment, motions of non-confidence against the government, based on allegations that the government has produced no effective new policies or programs to reduce unemployment, and in particular to alleviate winter unemployment, combined with the further suggestion put forward by the New Democratic party that the government has failed to bring forward any plans to deal with the chronic and growing problem of unemployment caused by automation and technological change.

The amendment was introduced by the hon. member for Ontario, who in the course of his attack on the government made no mention whatsoever of current employment and unemployment statistics. Of course that was a deliberate omission, because the figures on employment and unemployment do very little to support the case against the government.

**Mr. Starr:** I rise on a question of privilege. I am sure the Minister of Labour would not want that to stand on the record, because if he read *Hansard* he would see that I referred to the latest d.b.s. statistics showing there was a decline of 10,000 in the numbers unemployed, to 3.7 per cent of the labour force as compared with 3.9 per cent last year.

**Mr. MacEachen:** I regret if I have misquoted the hon. gentleman, but I accept his correction. Whether quoted or not, whether given in detail or not, the figures do very little to support the hon. gentleman and the case he put forward in the house yesterday.

The motion put forward by the hon. member for Ontario is an invitation to us to tell him and the house exactly the situation that prevailed in Canada when he and other members of his government left office last April. Last April, 7 per cent of Canada's labour force was unemployed. In the Atlantic provinces 14.1 per cent of the total labour force was unemployed, and in Ontario the figure was 4.5 per cent. For the benefit of the hon. member for Pontiac-Temiscamingue in the province of Quebec almost 10 per cent of the labour force was unemployed, while the figures for the prairies and the Pacific coast were 4.4 per cent and 6.7 per cent.

**Mr. Nielsen:** Would the hon. minister permit a question?

*Unemployment Measures Lacking*

**Mr. MacEachen:** No, I will permit questions at the end of my speech.

The trend has been downward in unemployment since that time, but what ought to be emphasized is that in the past six months total employment in Canada has shown a very strong advance. That is the important figure, and the most important statistic here is the year to year change. Unemployment as of September was 250,000, or 10,000 less than last year, and hon. gentlemen opposite seem to regard that as a very slight improvement. I regard it as a significant improvement, because it represents a complete reversal of the economic outlook that prevailed in Canada when this government took office. I hope to be able to say something more on this particular point later.

The statistics we have today may appear slight to hon. members opposite, but they underline two facts; that we reversed the unfavourable economic outlook, the unfavourable employment prospects that prevailed in Canada as of last April, and we improved the situation over last year.

It is true that Liberal members when in opposition introduced motions of non-confidence on the question of unemployment, but we presented those motions in periods of rising unemployment. Today and yesterday we have had motions put forward, not in a period of rising unemployment, but in a period of declining unemployment. That represents the difference between the two parties, unemployment rising under the Progressive Conservatives and decreasing under the Liberals.

In moving this amendment yesterday I hope the hon. member for Ontario will not think we will forget his performance, and the performance of his government, as they grappled unsuccessfully with the problem of unemployment throughout their whole period of office. Through this amendment he is asking us to visit with him, and with the other members of the former government, the scene of their major crime against the people of Canada, their failure to deal effectively with the problem of unemployment.

What was the performance of the former government? During that period there were excessively high levels of unemployment. Over the past five years unemployment averaged 6.6 per cent of the labour force all year around, and in that period of five years the winter rate was up to 10.1 per cent, while the summer average was 4.3 per cent of the labour force.

In the period from April 1, 1957 to March 31, 1963 the federal government, composed of hon. gentlemen opposite, paid out more than $300 million under the Unemployment Assistance Act, $300 million representing the extent to which the unemployed of Canada were depending upon social assistance for a livelihood.

What happened to the unemployment insurance fund in that period when the Conservatives were in office? During that period the fund virtually disappeared, when the high levels of benefit payments represented the excessively high levels of mass unemployment. I do not intend to deal in detail with the benefit payments out of that fund each year, but they ranged from $385 million in 1958 to $513 million in 1961, all these figures indicating the excessively high levels of unemployment that prevailed in those years. That is the situation which this government faced when it entered office.

There have been recent improvements in the employment situation. The total employment picture has strengthened. Unemployment has decreased compared with the previous year and the prospects are that the Canadian economy will grow stronger in the months ahead. But the current labour market, with 250,000 persons unemployed, still reflects a high level of unemployment, a high level of unemployment which this government is determined to reduce, and with that object in mind has already put forward a number of major and effective programs to deal with the question. In the course of my remarks I will be referring to a number of these new and effective programs.

I point out this is a statistic which my hon. friend used to put on the record with regularity, that in September of this year employment in Canada totalled 6,565,000. Employment is greater by 180,000 than it was a year earlier. The Minister of Labour tends to be held responsible in this house and elsewhere for the whole problem of unemployment, and no doubt he does carry a full share of responsibility for this problem. But it ought to be apparent to all hon. members that a full range of policies is required to deal with unemployment, involving fiscal, monetary, trade and other relevant measures to stimulate employment and economic growth generally. I hope to be able to say more when introducing the estimates of the Department of Labour about my conception of the most effective way in which the Department of Labour can discharge its functions in co-ordination with other departments of government to deal with the problem of unemployment; but for the moment I am satisfied that the present government, in calling parliament together as quickly as possible following the election last April and introducing as quickly as possible major legislative measures to cope with unemployment, has kept faith with its determination, as expressed

to the electorate, that its foremost object on taking office would be to overcome unemployment.

Yesterday the hon. member for Ontario (Mr. Starr) spent most of his time talking about the municipal winter works incentive program. In fact, the main point in his speech was that the changes which had been made by the new government had served to reduce the effectiveness of this program. He stated that the changes made would curtail the activity of those who might be usefully employed in the winter months. We did introduce new ideas into this program. We announced our intention to carry out this program at the earliest date ever. We decided that in order to reach its maximum effectiveness it ought to be concentrated within a period of six months. We decided to increase the contribution for municipal buildings under this program by $50,000 and we increased the federal payroll cost from 50 to 60 per cent in designated areas and areas of high winter unemployment. Each of these improvements is known to members of the house.

Yesterday the hon. member for Pontiac-Temiscamingue (Mr. Martineau), in referring to this program, used the words—they were not his own words in the beginning—the "anaemic child of the government".

**Mr. Martineau:** That was the minister of external affairs.

**Mr. MacEachen:** Let us see how this child is doing under its new parents, Mr. Speaker. I have before me the forecast for the program this year, November 1, and the similar forecast for the program last year, October 15, 1962. I want to put on the record these comparable statistics because they reveal how the child is doing. As of October 15, 1962, the applications approved were 1,450; on November 1, 1963, applications approved were 2,416. As of October 1962, estimated jobs involved 30,500; as of November 1, 1963, they involved 59,038. In October 1962 estimated man days of work to be provided, 1,650,000; this year the figure is 2,829,505. The estimated total of payroll costs last year was $25 million; this year the estimated total is $44 million. The estimated federal contribution last year was $12 million; this year it is $22 million. The estimated total cost of projects during the effective period last year was $83 million; this year it is $135 million. So these facts in themselves justify the efficacy of the improvements made by this government. They indicate the full health of the child under its new parentage, and they certainly present a strong justification for the defeat of this unsupported motion of non-confidence against this government.

The hon. member for Ontario spoke about winter unemployment. As I have indicated already, we have strengthened and made more effective the municipal winter works incentive program, with good results. We have introduced a new bonus program, an incentive payment of $500 to the first purchaser of a winter-built house. This is a new program. The hon. member for Ontario calls it a gimmick. He said at one time in his speech that it will be ineffective, and at another time said it remains to be seen whether or not it will be effective. I believe this new experimental program will be effective. The response to date is encouraging. It will have a significant effect in increasing winter employment and in stabilizing employment opportunities in the construction industry. It is a new and effective program.

To meet the problem of unemployment this winter we have brought forward an accelerated winter construction program. This is an entirely new concept because it involves the bringing forward of projects not provided for in the regular estimates and for which justification exists on other grounds. The hon. member for Ontario asked how many new jobs $7 million would provide in this country of ours. Well, of course, he misses the point. This program does not apply to "this country of ours"; it applies to the designated areas, including 10 per cent of the paid workers of Canada, and also to areas of high winter unemployment, some of which are included already in the designated areas. These programs will be brought forward and undertaken this winter in these particular areas, and combined with other programs of the government this accelerated winter construction program will have a significant effect in reducing unemployment and in creating jobs this winter.

May I turn for a moment, Mr. Speaker, to another phase of the program of the government. We have designated certain parts of the country for special help. This is evidence of our policy to help areas in Canada most in need of help. It ought to be evident to hon. members of the house that any policy or incentive applied universally across the country will tend to make the economically strong parts of Canada stronger still. Such an approach will not help deal with areas of slow growth or high unemployment.

It has been said that this program of designation is discriminatory. Of course it is discriminatory. It is intended to be discriminatory in the sense of providing special assistance to areas of high unemployment and slow growth.

Yesterday the hon. member for Port Arthur (Mr. Fisher) asked that special consideration be given to programs of this type. It is because we share that view that we have designated 35 areas in Canada as now eligible

for special stimuli under a new government program. A number of specific measures to promote development in these areas have already been announced by the government. They include tax exemptions for a three year period for new manufacturing and processing industries which locate in those areas. They include accelerated depreciation allowances on new machinery and equipment and an accelerated write-off of the capital cost of new industrial buildings in a five year period. These are the most powerful tax incentives ever offered by any Canadian government to assist in locating industries in areas of slow growth. Combined with the area development agencies and the new Department of Industry, these measures are bound to have a marked effect in accelerating growth, in reducing unemployment and in increasing total employment in these areas.

Besides these fiscal measures, provision has been made for the speeding up of government construction programs during the winter months and for an increase in the federal contribution to the municipal winter works incentive program from 50 per cent to 60 per cent. In addition, we have taken steps to strengthen the personnel of the national employment service. Surely, the effective use of manpower in Canada requires a strong national employment service equipped with the resources to make its contribution felt in the development of manpower policies. The former government applied austerity to the national employment service. We lifted that austerity program. The former government failed to maintain the national employment service at its proper establishment. We have added a large number of new positions to the service. For almost two years the national employment service in Canada was "frozen", and in April of this year there were vacancies to the number of 264 positions in the establishment of the service. This is how the government of Canada was treating the national employment service at a time of high unemployment, although the government of the United States, realizing how effective unemployment service could be in combating unemployment, had increased the total complement of its agency by more than 4,000. In order to make the services of the organization more effective we have added 362 new positions to the national employment service. We think this is a sound step because it will allow us to administer the new manpower policy and to establish the new programs we have undertaken, namely the older worker training program, the winter building program, and so on. We intend to support the national employment service and we have under consideration at the present time the recommendations of the Gill committee, with the further strengthening of that organization in mind.

I hope hon. gentlemen opposite will excuse me if I refer to the way in which the new government has strengthened the training program for the unemployed. It is true the former government did something in this field. I recognize that. We have taken steps to make the program more effective and we have extended for a further period the capital cost program under technical and vocational training, so that many more millions of dollars may be spent in building facilities and in adding to the training of our youth for the requirements of the sixties.

Now may I say a word about the incentive program for older workers. This program was designed in an effort to combat the prejudice against the re-employment of older workers. It is a new program. It is experimental and I think it fills a real need. As we all know, it is very hard for older workers who have been out of employment for a long time to re-establish themselves. Yet many of them are highly capable and have many years of useful working life ahead of them. Given an opportunity, they could bring their valuable qualities to the job—judgment, stability, less frequent absenteeism and reduced turnover and accident rate. The purpose of our program is to make it possible for employers to take these older workers and give them, if possible, training on the job or, at a minimum, to rehabilitate them to the point at which they become competitive in the labour market. If we succeed in doing this for any person I think it is a significant contribution to his future. The hon. member for Ontario says that those in charge of policing this program are having a difficult time—that they are encountering insurmountable difficulties. Well, the program has been in effect since Friday last, and on Monday the hon. member talks about facing insurmountable difficulties. That is hardly informed criticism. The hon. member for Ontario also said the program was a gimmick. That is his favourite description of a new program which he has not taken the trouble to understand or to study in detail. This is not a gimmick. It is the use of an incentive in a definite way to meet a definite problem.

As an indication of our determination to deal successfully and effectively with unemployment I should like to refer to the supplementary estimates, estimates D, which, in total, amount to $74 million, $60 million of which is being asked for to support the programs I have mentioned. By asking for this large amount—not a disproportionately large amount in terms of the problem to be solved

—the government has indicated the seriousness with which it regards the unemployment situation.

I do not intend to deal with the municipal loan fund. The hon. member for Ontario regards this as something which will create no jobs at all. We take a different attitude. We think this program, which is now in effect, will have a significant impact on employment opportunities. It is a new program and it deserves the support of all hon. members so that it may attain its maximum effect in reducing unemployment. We have established the Atlantic development fund. Surely, a fund of the amount of $100 million to be employed wholly within four provinces of Canada is bound to have an impact on employment in the immediate future. Then there is the provision in the supplementary estimates for a contribution by the federal government of 90 per cent toward the construction of the trans-Canada highway. This has already had a marked effect on employment. It is another new program, as is the municipal loan fund.

The newest program of all to which I should like to make reference with respect to its employment possibilities is the success of the Minister of Trade and Commerce (Mr. Sharp) in negotiating this large sale of wheat and flour to Russia.

**An hon. Member:** We thought the wheat board did that.

**Mr. MacEachen:** Well, it has been done and it will have direct employment consequences. It is going to increase the number of men employed and the number of hours worked in the flour mills of this country. It will increase the number of men and the number of hours worked on the railways. It will increase the number of operators and the number of hours worked in connection with water transportation and handling of cargo at the ports. To some extent it will increase farm employment in Canada, especially in the western provinces. These are some of the direct effects of this particular sale of wheat and flour. The indirect effects will be substantial. Demand, generally, will be increased as a result of the increased spending power which will be generated within the economy. I do not think it is an exaggeration to say that this single sale will, in itself, add at least 20,000 or 25,000 additional jobs to the Canadian economy in the next 12 months.

**An hon. Member:** In the eastern provinces?

**Mr. MacEachen:** In all parts of Canada—in the constituency of the hon. member for Saint John-Albert (Mr. Bell) as well as of others in the maritimes, in Quebec and in the west. This is a universal program which will increase jobs everywhere and its effects will become more apparent as time goes on.

May I turn for a moment to the subamendment moved by the hon. member for Port Arthur (Mr. Fisher) in which he belaboured the government for its failure to propose any plan—I omit certain words—to deal with the problems of automation and technological change. I cannot accept the view set forth in the subamendment as being an accurate description of the policy of the government and the plan which it has already made clear with respect to meeting the problems posed by automation and technological change.

It seems to me we have taken two major steps. One has been in the field of training in industry. The hon. member for Ontario admitted yesterday that very little indeed has been done in the highly important field of training employees in industry. We have increased from 50 to 75 per cent the federal contribution to provincial costs in respect of training in industry. We think this will provide an additional stimulus to undertake the basic training of employees in industry.

It is a fact that in Canada today there are persons in the labour force whose skills are becoming obsolete and who are unable to acquire new skills because they do not have the basic education to allow them to do so. We are going to do something about this. We intend to do something about apprenticeship training and about retraining so that as one set of skills becomes obsolete a new set is acquired. That will be undertaken through this program.

The hon. member for Port Arthur may not have noticed that in the set of supplementary estimates tabled recently in the house provision has been made in a vote of the Department of Labour for a new manpower consultative service. In supplementary estimates A, page 12, he will notice that the government is asking the House of Commons for a special vote to provide for the establishment of manpower consultative service to assist in and encourage the establishment of manpower adjustment by employers and workers, and to authorize payments in accordance with agreements entered into with the approval of the governor in council by the Minister of Labour with provinces, employers and workers in respect of labour mobility and assessment incentives.

The purpose of this program is to cope for the first time in any country in this way with the problems of automation and technological change. We think that in putting forward this program which has been developed in the Department of Labour we are doing something in the way of pioneering

work. The principles of the program are simple but constructive. Appropriate plans will be developed at the plant level in advance of anticipated worker displacement. These plans will require advanced research and advanced assessment at the plant level, and this new manpower consultative service will assist employers and unions where they operate in a plant to assess prospective technological change, and will assist them to develop plans in order to meet the problems posed by technological change.

A direct effort will be made with government assistance to anticipate the need and to prepare for it in the way of programs to provide employment for displaced workers. At the same time, where transfer of workers displaced by technological change is not possible within the plant or within the community, re-employment incentives of another kind will be made available.

Therefore, Mr. Speaker, I cannot accept the terms of the subamendment which belabour the government for its failure to deal with the problems of automation and technological change. We are taking two very important steps in this field and we think these steps will be effective and useful.

At the beginning of my remarks I stated in commenting on the present employment situation that the economic outlook that had prevailed in Canada last spring has been reversed, and that the advice available in the Department of Labour last spring projected not decreasing unemployment but increasing unemployment for September of this year. The former minister of labour, the hon. member for Ontario, said yesterday that the government of which he was a member had provided incentives to industry and that the present government is still riding on the effects of that impetus. That is an absurd contention and it ought to have been apparent to the hon. member for Ontario.

All I ask him is this: Did he ask his officials last March and April what the projections were for unemployment in September of this year? If he did he would have received precisely the same advice I received when I entered the Department of Labour, and that was that on the basis of the advice available the six month projection was that unemployment in September of 1963 would be greater than unemployment in September of 1962 and that the total advance in employment would not be as significant as it has turned out to be.

Therefore, whether we are riding on the impetus provided by the former government, which I doubt and deny, the fact is that the prospects known to members of the former government last spring called for higher unemployment this fall and a less rapid advance in total employment. The outlook today is different. Employment over the year has increased from September to September by 180,000 and instead of an increase in unemployment as was projected there has been a decrease. That is in accordance with the advice I received on entering the department and in accordance with the facts that are generally known in the house today.

So, Mr. Speaker, I would ask hon. members to defeat these amendments because the present government called parliament together immediately to deal with the problems of unemployment and has brought forward a number of new and effective programs to do so. The policies of the new government have reversed the economic outlook that prevailed in Canada last April to the extent that there has been a marked increase in total employment and a significant decline in total unemployment. I also feel that the outlook for Canada is good. It will remain good and become stronger, provided the government is permitted to continue to implement the policies which it has begun.

**Mr. Starr:** Mr. Speaker, I wonder whether I could address a question to the hon. member?

**Mr. Lamontagne:** Do you want to answer the question?

**Mr. Starr:** I am going to ask a question, if you do not mind. In view of the programs which the minister outlined in his speech which are yet to begin, to what policies of the present government does he give the credit for the decline we have experienced in the last few months?

**Mr. MacEachen:** I did not hear the question.

**Mr. Starr:** I will repeat it. In view of the policies he has outlined, which have yet to begin—

**Mr. Pearson:** They have begun.

**Mr. Starr:** The Minister of Labour said they have yet to begin. To what policies does the minister give the credit for the decline in unemployment in the last two months?

**Mr. MacEachen:** I am glad the hon. gentleman accepts the fact that a reversal in outlook has taken place. I think the people of Canada realize they have a government that will manage the affairs of the country properly.

**Some hon. Members:** Oh, oh.

**Mr. Starr:** You do not need any policies?

**Mr. Deputy Speaker:** Is the hon. member rising to ask a question?

**Mr. Slogan:** Yes. I wonder if the minister would add to his rosy prediction that, in the first year of Liberal government, the gross

national product will exceed the 8 per cent record of last year under a Conservative government?

**Mr. Deputy Speaker:** Is the hon. member for Saint John-Albert rising to ask a question?

**Mr. Bell:** No, I was claiming my place.

**Mr. Deputy Speaker:** I recognize the hon. member for Greenwood.

**Mr. Ricard:** I should like to ask a question, Mr. Speaker. Will the Minister of Labour deny the fact that there is more unemployment now in the province of Quebec than there was in September of last year?

**Mr. Caron:** He speaks for Canada.

**Mr. MacEachen:** I never deny the facts, whatever they are.

**Mr. Andrew Brewin (Greenwood):** Mr. Speaker, I think I share with a good many members on this side of the house, a high regard for the Minister of Labour (Mr. MacEachen). However, I must admit I was disappointed with the speech he just made. It seemed to me his remarks were rather political and very complacent. I do not blame him for making political remarks in the house, but I do not think this is the time or the occasion for complacency. The minister repeated to us, if I may borrow a phrase of the hon. member for Ontario (Mr. Starr), a number of gimmicks that had been introduced by the government or, if the minister does not like that word, a number of incentives that have been brought into effect by the government. No doubt some of these are meritorious.

He also gave us figures relating to the expansion of employment. Of course we welcome the expansion of employment. However, he did not seem to recognize that there is a continuing need for a sufficient expansion of employment to provide full employment. The question is not whether we have expanded employment, which undoubtedly we have, but whether we have expanded employment to the extent where we can provide full employment in this country for all those able to work. This I say is the objective, and in that respect at least the government has failed so far. I listened carefully to the speech delivered by the minister, and I regret that he does not seem to have answered the rather searching questions put by one member from his own side of the house, the hon. member for Îles-de-la-Madeleine (Mr. Sauve). I refer to page 4374 of *Hansard,* where the hon. member is reported as saying this:

> The fact remains, Mr. Speaker, that even though one knows the unemployment problem, its details, its various forms, as an hon. member of the opposition mentioned this afternoon, a basic decision has never been taken, namely whether governments, federal and provincial, should interfere in the direction of the economy.
>
> All kinds of solutions have been suggested, all aspects of the problem have been considered, but when one reads all these reports, one is always under the impression that there was a gap at a certain time and that the government was never able to make up its mind and really step into the economic field. I think that is the crux of the problem.
>
> We could discuss ad infinitum the causes of unemployment and the solutions we think possible, but as long as governments—

I think he included this government.

> —all of them, will not make up their minds to step in in order to stem unemployment and apply a policy of full employment, Canada will experience, as she has in the past, long periods of unemployment.

I ask the minister to pay heed to the words of his colleague from Îles-de-la-Madeleine. The hon. member went on to say this, and this is the last time I am going to avail myself of his speech for the purposes of my own:

> As long as we go on thinking that private enterprise can solve the unemployment problem all by itself, that important public works, unemployment insurance and assistance will be able to help the jobless for some time, we will never solve definitely the full employment problem.

It is my submission that the minister, in his speech, failed to come to grips with the problem and indicate to this house the way the government accepted the responsibility which, quite rightly in my view, was put forward by the hon. member who spoke earlier in the debate. It seemed to me that when the minister referred, as he did, to the subamendment introduced by the hon. member for Port Arthur (Mr. Fisher) he missed the import of it. I call attention to it. What we regret in the subamendment was the failure of the government to propose any plans for the fundamental economic and social changes required to deal with chronic and growing unemployment. The minister dealt with palliatives some of them good, some of them effective, but perhaps not to the degree he felt they were. He failed to tell us what proposals there were for the fundamental economic and social changes required, if we were to really deal with the situation.

I noticed that several other members who spoke in this debate took the opportunity presented by it to speak of the needs of their particular regions, and the problems of unemployment as they affected those regions. In this particular I want to follow the example of those who have preceded me in the debate, and take the opportunity to present to the house and to the government the urgent needs of the metropolitan area of the city of Toronto. All those needs are connected with this amendment, and if their solution

was taken seriously by the government it would put an end to the problem of unemployment where it is most acute, and that is in the large urban centres of Canada. If the government would deal with the problems of the metropolitan area of Toronto, I presume they would deal also with the problems of the other large urban centres. In so doing, they would go a long way toward tackling effectively this problem of unemployment.

What does the metropolitan area of Toronto most urgently need? It needs a public low cost housing program on a fairly large scale, a larger scale than we have ever had before. It urgently needs hospitals and hospital beds. It urgently needs rapid transit subways to deal with the burgeoning population and the expansion of suburban areas. These are not exclusively problems of the federal government. Indeed, primarily they may be the problems of other levels of government. However the leadership of the federal government is needed in each of these fields. Leadership, in these terms, would be an effective means of ending unemployment.

I suggest that the government has good reason to be concerned about these needs and should consider carefully the needs of the metropolitan area of Toronto. It was only in April, Mr. Speaker, that the Liberal tide surged over that area. When the tide had subsided there were only two hon. members, my colleague from Danforth (Mr. Scott) and myself, who survived. I would have expected a very dynamic interest in the problems of the metro area on the part of this government.

What do we find? Despite the urgent requests of the mayor of Toronto and the members of the board of control, the Prime Minister announced that the effective date of the winter works program would be from November 1 to April 30. I will not use my own words to describe that decision, but Controller Lamport of the city of Toronto, a well-known Liberal, is reported as saying that the government had ignored Toronto's special problem in setting the deadline of April 30. He pointed out that although the national figures do show a decline in unemployment, and I must say it is a very small decline, the situation is worse in Toronto than it was a year ago. Taking the figures for September, he pointed out that unemployment had increased over 4 per cent during that period.

A gentleman by the name of A. V. Piggott, who was chairman of the employment advisory commission of Toronto, a well-known businessman who has also taken a leading part in the field of social welfare, is reported in the Toronto *Star* of October 25 as saying that the situation in regard to unemployment was desperate. He said that there are now 100,000 to 125,000 jobs open in Toronto but the 125,000 unemployed cannot take those jobs because the openings were all for skilled workers. I dare say that is the experience of many members of this house. People come to ask for jobs, and the only jobs the member can find are for skilled personnel. These people however do not possess the basic skills required. I ask the government to note this. Mr. Piggott said he felt a terrible sense of urgency after visiting the United Kingdom and Europe and seeing what they are doing by way of retraining workers and by way of national economic planning. Mr. Piggott said he felt a terrible sense of urgency after realizing this situation, a sense of urgency not apparently shared by the government. However, I hope this motion will renew a sense of urgency on the part of the government today.

I was saying that the metropolitan area of Toronto urgently needs hospitals. I commend to the government an article in the Toronto *Star* of October 30 by the science editor who said that even if we built 10 new 200-bed hospitals the metro area would still be short of hospital space. In some suburbs like North York the present picture is so bad that, instead of the five beds per thousand residents, which is accepted as the proper standard, there is only half a bed per thousand residents in that area.

I know the government is giving consideration at the present time to the urgent requests of the metro executive to increase the government's contribution to the cost of adding the urgently needed hospital beds, as the province of Ontario and the metro council of Toronto have done. I urge the government to move quickly in increasing its contribution so that the urgently needed hospital construction be got under way soon, so that not only will the urgent need of beds for prospective patients be met but that winter unemployment can be substantially reduced.

I mentioned the subject of rapid transit construction, which I say is urgently needed. This is a major work in providing and creating employment. I would like to say in respect to this that plans, of course, are already in existence for the construction of rapid transit subways in the city of Toronto. I doubt if any people but the patient workers of the metropolitan area would put up with the sort of situation where it takes them an hour, and sometimes more than an hour, to get to their place of work in terribly overcrowded streetcars. This has a serious effect on their lives, and the construction of a subway would not only give them greater leisure but would add

further social benefits in the construction that would grow up around these more adequate transit facilities.

Again it may be said that this is a problem for the metropolitan area itself to deal with; but if the federal government would call the leaders of that large area into a conference with the leaders concerned with this matter in the provincial government and say, "We will accelerate that program and make it possible for you to go ahead with the program, and thus avoid spreading it out, as happens when the resources of the metropolitan area alone are to be relied on", this would have an immediate and very valuable effect in dealing with the problem of unemployment.

I want to deal briefly with the question of housing. We do not need housing in the metropolitan area of Toronto, and in other parts of Canada, simply to provide work, but it is doubtful whether there is any form of construction, meeting the needs of people, which would have a more valuable effect in dealing with the question of unemployment.

Yesterday, the Ontario federation of labour, meeting at Niagara Falls, produced a brochure for its 1,000 delegates in which it described Canada as a backward nation in the field of public housing, and spoke of the housing blight in Toronto as the worst in the province. It went on to say:

> The Toronto situation is of course the worst in magnitude and here the municipal authorities as well as other levels of government have made the biggest headlines with the minimum of results.

This is not the occasion to go into great detail on what is required in the field of housing. In the area from which I come a badly needed change of policy would provide assistance from various levels of government for the rehabilitation and saving of existing housing, thus retarding its returning to a slum condition. In many other jurisdictions such financial support is available, and it has the effect of providing employment where it is needed.

If the government is serious about dealing with the problems of this large metropolitan area, and if it is also serious in seeking full employment, then I suggest the first thing it should do is get together with these other levels of government and make the plans necessary to meet these urgent needs of housing, rapid transit, and hospitals. If it would do that, then it would solve the problem of full employment, or at least go a long way towards solving it in that particular area.

I shall conclude my remarks by referring to a statement of policy approved by another political party, the British labour party, called "Labour and the Scientific Revolution." I know some people will say we should not listen to this because it is a socialist policy. I suggest it makes good sense and I commend it to the government and members of the house. This is what it says:

> In this new age of the computer and automation, as we can already see in the United States, the consequence of accepting rationalization and labour-saving techniques, whilst at the same time rejecting the need for central planning, is to abandon full employment. In short, planning without automation equals stagnation: automation without planning equals chronic unemployment.
>
> From now on, we must frankly face the fact that any boy or girl who enters industry during the 1960's may well find his or her skill rendered obsolete more than once in the course of working life, with the result that a choice must be made between accepting whatever unskilled job is available or retraining in a new skill...
>
> What we must develop, therefore,...is a completely new attitude to technological innovation and to redundancy as well...
>
> This will require an enormous expansion of our adult training facilities. Both in the planning of this expansion program and in creating the new climate of opinion in industry which must accompany it, the trade unions will play a crucial role.

I suggest that all the training programs we have heard of, excellent though they are, do not constitute that enormous expansion of adult training facilities which is needed to cope with this problem.

The statement goes on to say:

> As the scientific revolution proceeds, the wealth of the nation will increase and we shall be able not only to raise our own living standards but to contribute much more to the attack on world poverty....
>
> The prospect that the scientific revolution opens before us is a working life which is secure and interesting, in a society where machines are subordinate to man; a world in which hardship and suffering are progressively eliminated and the whole range of man's culture is available to enrich the lives of us all. This is the true socialist vision which, in the past, want and ignorance have held from our grasp.

I do not apologize for the use of the word socialist. I think that is an apt description of it, and that is why we are proud in this party to call ourselves socialists and claim some part of this socialist vision.

> But can we in fact break through the resistance and obstacles that confront us? We are confident that we can. In our factories and workshops we have perhaps the most skilled and mature working population in the world.

They are speaking of Britain, and what they say is true of Canada.

> In our schools there is still a vast untapped potential of scientific and managerial skill. What is needed to meet the challenge of the scientific revolution is not a new scientific elite but a collective determination to succeed—and a government which will liberate the nation from its present frustrations so that together we can create a new and better Britain.

I substitute the word Canada for the word Britain, and suggest these words are applicable to Canada.

The reason I and other members of my party propose to support the amendment and

the subamendment is because we do not believe the government has shown this vision and indicated that collective determination that is required to deal with the size and enormity of our problem.

**The Acting Speaker (Mr. Batten):** The hon. member for Sherbrooke.

[*Translation*]

**Mr. Gerard Chapdelaine (Sherbrooke):** Mr. Speaker, allow me to open my remarks by—

[*Text*]

**Mr. Byrne:** On a point of order, Mr. Speaker, the house should appreciate in view of the fact we are now discussing two amendments, one proposed by the official opposition and the other by the New Democratic party, which represents the third largest group in the house, that the members of the government should be permitted to speak to defend the government position, certainly in equal proportion to those who are speaking from the opposite side of the house.

**Mr. Smith:** Order.

**Mr. Byrne:** Surely the house must agree, if we believe in debate being anything but a complete farce, that the government must be in a position to defend its policies in equal proportion to speakers from the other side of the house. If we carry on under the proposal we have—

**Mr. Knowles:** What is your point of order?

**Mr. Byrne:** There cannot be a point of order on a point of order. Surely the hon. member for Winnipeg North Centre (Mr. Knowles) knows this.

**The Acting Speaker (Mr. Batten):** Order. If the hon. gentleman has a point of order would he say what it is.

**Mr. Byrne:** Mr. Speaker, in essence it means that under the schedule we are following the opposition will have twice the number of speakers that the government benches will have. There will be six, perhaps nine, as opposed to three from the government benches. I feel that that is certainly a logical point of order.

**The Acting Speaker (Mr. Batten):** I recognize that there is come difficulty in being able to apportion time to the different parts of the house. The Chair is having some difficulty in this regard but I think it is doing its best under the present procedure. Until some agreement is reached between the different groups I think we will have to rely on the Chair to do the best possible. I now recognize the hon. member for Sherbrooke (Mr. Chapdelaine).

[Mr. Brewin.]

[*Translation*]

**Mr. Chapdelaine:** Mr. Speaker, it is probably not too flattering for the Minister of Labour (Mr. MacEachen) to hear it said, in this house, that he was not able to explain clearly the viewpoint of his party, and by one of his own followers at that.

In opening my remarks, I would like to borrow a few lines from the famed French fabulist, Jean de la Fontaine, and to adapt them to this debate. Paraphrasing his "Animals sick with the plague", I would say:

> An evil which strikes terror in all hearts,
> and that an irate Providence invented to punish the crimes of the old parties,
> Unemployment, if its name must be known."

Mr. Speaker, for two days now, you have seen that the old parties, Liberal as well as Conservative, are fully conscious of the problem they have had to put up with and have been unable to solve once in office. We have even seen the Conservative members hold the present Liberal administration, which came into office only a few months ago, entirely responsible for unemployment—there are approximately 250,000 unemployed at present in the country.

I should like to quote, if I may, for the information of the Conservative members and their leader in particular, some d.b.s. statistics for the years 1957-1958 and so on, when the country had a Conservative administration.

In 1957, there were 328,000 unemployed in this country, that is 5.7 per cent of the labour force; in 1958, there was a small improvement, because the Conservatives worked to stem unemployment: 579,000 jobless in Canada, that is 9.7 per cent of the labour force; in 1959 there was an improvement: 578,000 unemployed, that is 9.5 per cent of the labour force; in 1960, there were 545,000 jobless, or 8.8 per cent of the labour force; and in 1961, the grand crowning-piece of the Conservative administration, we had 693,000 jobless, representing 10.8 per cent of the labour force.

Today, Mr. Speaker, here is the amendment introduced by the official opposition party:

> "This house regrets the failure of the government to introduce any effective new policies or programs to reduce substantially unemployment in Canada, and in particular to alleviate winter unemployment, so as to achieve the promised full employment as undertaken in the Liberal party election promises."

I admit that the Liberal party as well as the Conservative party committed themselves, one after the other, during various election campaigns, to settle the unemployment problem; but of two evils, I choose the lesser because I do not want to go back to that

period when—in 1961—there were more than one million unemployed in this country and the Conservative government of that time could do nothing about it.

During the 1958 election campaign, the present Leader of the Opposition (Mr. Diefenbaker) said: I will not sleep as long as there is a man out of work in Canada.

Has he slept?

We do not know that but we know, Mr. Speaker, that many people were starving while he was awake.

That is why in 1962 and 1963 the Canadian people decided to choose a lesser evil—but an evil just the same—to put an end to the ultimate shame of living in the country with the highest unemployment rate, as reported in Quebec city's *Le Soleil* on Wednesday, July 17, 1963:

> Unemployment in Canada reached the highest rate in all the great industrial nations, even after the United States.

Mr. Speaker, if what is found in the amendment moved by the present Conservative party is all that is offered by way of a policy to check unemployment, we will not go along with that, because neither the Conservatives nor the Liberals have found real solutions to the unemployment problem in Canada today.

Mr. Speaker, all kinds of solutions are being suggested at the present time, those contained in the Gill report and those proposed by the present Minister of Labour in his offensive against unemployment.

If we briefly analyse those cures, we find that the Gill report proposes to amend the enforcement of the Unemployment Insurance Act in order to help the workers.

One readily realizes that this is merely a measure to relieve the present unemployed but not to prevent an increase in the number of jobless.

It is one thing to find work and another to give some assistance to unemployed workers.

I would even say that in certain areas unemployment insurance is no good, because it encourages unemployment, especially in those areas where salaries are low and it is felt that it is better to draw unemployment insurance than to work.

Among other remedial measures proposed by the Minister of Labour (Mr. MacEachen) there is the increase from 75 to 90 per cent in the federal assistance to vocational rehabilitation; this is a worthy and sound solution, but it will certainly not solve the present unemployment problem, at least for several years to come.

The Minister of Labour proposes to raise from 50 to 75 per cent the federal assistance to the retraining of workers who are threatened with unemployment. We admit, Mr. Speaker, that such a step would somewhat palliate unemployment, in that workers displaced by automation would move to another community where a job may be waiting for them but, there again, that will do nothing to change the increasing number of new workers who enter the labour market, a situation which calls for the creation of at least 200,000 new jobs every year.

In general, the other suggested cures would only fill the existing gap; they do not take into account the labour surplus which will result from the increasing spread of automation.

Those measures are what I would call poultices. They remind me of the plugs which are used to patch up rusted piping and which only increase the pressure elsewhere in the pipe which has been weakened by rust.

As long as the Liberal government, just as the former Conservative government, will not realize that a piecemeal policy is not what is needed to solve unemployment, that an altogether new policy is necessary, because the present one is no longer suited to put to work the mass of the labour force available, we will continue to be faced with the same problem.

As long as the government refuses to tackle the underlying cause of the evil which gnaws at the labour force, we will not succeed in finding means to stem unemployment, as we would hope, and as is the case now in Germany where even 74-year old women work in stores as assistants while manpower is sought from everywhere.

In France, there is a shortage of manpower.

I wonder whether it would be possible on a continent as rich as America to find means of solving unemployment due to automation.

During last night's debates, we listened to a few suggestions, one of which astonished me. It came from a Social Credit member. Let me quote an extract from the speech made by the hon. member for Quebec West (Mr. Plourde) to the effect that one measure only could solve unemployment. Here is what he said:

> I hope that taxes will be reviewed in order to find out means to give a new impetus, a new development to Canada, even if this would get our country in debt for the next ten years.

**Mr. Plourde:** On a point of order, Mr. Speaker.

I want to point out to the hon. member for Sherbrooke that this suggestion implied the present system and not a protracted study which would leave the people starving under the present regime.

**Mr. Chapdelaine:** Mr. Speaker, if the hon. member for Quebec West will allow me to

finish my remarks, he will understand my idea. I mean that this suggestion, even if it implies the present system, is bad, because it is not by increasing the national debt that Canadians will find relief. It is mostly by trying to reduce it that we will succeed. When Canadians pay less in taxes, taxes which serve only to pay interest on the national debt, taxes taken, in the final analysis, in the pockets of the taxpayers and which will deprive them, consequently, of an increased purchasing power, only then shall we be able to try really and stem unemployment.

A considerable increase in the redistribution of wealth within our country would create new jobs and even an improved standard of living.

A suggestion which bears a great resemblance to the Creditiste doctrine is the step taken recently in the United States by President Kennedy in order to reduce by 11 per cent direct income tax for the workmen and the American people. That measure will increase the purchasing power of American consumers, thus creating a demand for production, which in turn will increase employment and prevent unemployment. One is justified to wonder why there is no unemployment in wartime. The reason is that in wartime we experience an increased purchasing power, while in peacetime everything operates slowly and everybody then experiences a period of unemployment like the one we have had since the war and especially since the beginning of the Conservative administration in 1957.

The solution will only be found when measures dealing with developments in the automation century will have been understood and applied. Automation is getting more and more scientific and it will increasingly shove labour aside.

To advocate that to settle unemployment it is necessary to curb automation is false, because automation is the direct and beneficent result of the human mind in operation. In my opinion, if we curb automation, we thus curb the human mind in action.

We know that automation is the direct cause of unemployment, since it has supplanted the workers who were employed to produce what the machine now makes without them. All right. But the concern should not be that the worker will lose his job, but that as a result of his loss of income, he will no longer be able to buy the commodities that the machine will continue to produce. We are faced with this dilemma: either the machine goes on producing the goods that were produced by man in the past and that he could buy with the salary derived from his job, or we face up to the existing over production.

[Mr. Chapdelaine.]

The answer to the problem of automation is to make it possible for the workers to own the machines replacing them. In this way, man will be able to live on the goods produced by the machine which he owns, while at present, in opposition to this, production is increasing and the purchasing power is low and, according to all indications, will get lower and lower. The problem is not one of production but of distribution.

If only our present government, as well as other governments throughout the world would realize that it is not with second-class measures that we are going to solve the problem of unemployment, but by getting at the heart of the matter, that is the lack of purchasing power in the pockets of the consumers who alone can absorb the goods being produced; if only the government realized that it is not a question of greatly increasing the present money supply, if the government realized that such a thing could be done without printing money indiscriminately, as some people might have thought when somebody tried to explain the Social Credit doctrine by using the wrong terms, because those social allowances we have now might well be called dividends, then the government would be getting nearer to the Social Credit theory. But we do not believe you can provide everybody with a livelihood without taking into account the production capacity of this country.

If the government would understand that instead of leaving to the chartered banks the power they have at present to create 12 times as much money as they have on deposit in the Bank of Canada; if the government would gradually take back the power that we, Canadians, have given the chartered banks through the federal government for the operation of public services, little by little Canadians would have less money to pay back as interest on bonds and, as a result, the government would not have to levy so many taxes, which are used only to pay the interest on the public debt. The national debt has reached such a level that we have $900 million a year to pay as interest alone.

Let us just suppose for a moment that, in the country, Canadians no longer have to pay the government $900 million each year because that amount is no longer required to pay interest on the national debt, and let us suppose that the money were distributed as spending power.

That money would be left to the consumer in the form of purchasing power because it would not have been taken from him through taxes. Then you would see the Canadian economy moving again. And there would be

no need to dream up all kinds of second rate solutions to solve the unemployment problem.

I respectfully submit that these are not lunatic theories but indeed rather concrete theories forced upon us by reality and to be applied sooner or later. As a matter of fact, if we fail to do so, we will have to keep on borrowing and paying back, over periods of 20 to 30 years, for services we will have used but for which our children will have to pay because their fathers will not have been wise enough to put their affairs in order while they were living.

Mr. Speaker, I feel we might accept for the time being the measures submitted by the government. On the other hand, governments, whether Liberal or Conservative, will gradually have to reach the conclusion that a reform of Canada's monetary system is necessary if the economy is to develop normally in a country as rich as Canada.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, the question which has been debated since yesterday, namely that of unemployment, is one which follows naturally from a situation created by an obsolete economic system, by a system which is no longer suited to the present needs, and this precisely at the time when we speak of full employment, when we hear the representatives of the various political parties in this house speak of the ideal to be pursued, that is full employment, in brief, at the very moment when the number of unemployed is going up.

The hon. member who rose before me, the hon. member for Sherbrooke (Mr. Chapdelaine) quoted a little while ago figures on the number of unemployed in Canada. He said that our country had respectively in 1959, 1960 and 1961, 578,000, 547,000 and 693,000 unemployed.

Now, last week, I put on the order paper question No. 1,469, which reads as follows:

[*Text*]

"What was the value of goods and services produced for each of the last five years?"

[*Translation*]

And here is the answer I was given:

In 1958, the value of goods and services produced in Canada amounted to $36,048 million.

In 1959, it was $38,430 million, that is $2,400 million more than in 1958.

In 1960, at the time when Canada had 547,000 unemployed, the gross national product amounted to $39,437 million, that is an increase of $1 billion over the production of the preceding year.

In 1961, when our country held the unemployment or lack of employment record, our gross national product reached $40,511 million, that is an increase of $1,100 million over the year 1960, although the number of unemployed reached the figure of 693,000.

In 1962, without any decrease in the number of jobs, the gross national product amounted to $43,646 million, that is an increase of $3,135 million over that of the preceding year.

Here we have an instance of the economical paradox in which we live, Mr. Speaker. Indeed, at the very moment when the situation of the unemployed remains unchanged, our national production is increasing, and that, without any participation of the arms and brains of our Canadian citizens. That is the problem confronting us today. At the very time when we hear some hon. members, even ministers and leaders of the opposition or of the government, talk about their good intentions with regard to unemployed Canadians, our national production is increasing while the number of the workless remains stationary, when it does not increase.

What solution is suggested? None whatsoever. At this time there is much talk of economic planning. We have no plans, no guidance, we lack government leadership in all spheres of economic life.

There is a lack of government leadership, while we are under pressure from various Canadian organizations, which ask us to intervene in a given sector of private enterprise, in a given field of our national production. The government is urged to make decisions for private enterprise, to levy more taxes on personal initiative, so as to be able to invade sectors where it should not step in at all.

Mr. Speaker, the hon. member for Quebec West (Mr. Plourde) mentioned yesterday the evidence given by Mr. Snyder, president of a large American industrial concern. He even quoted the concluding remarks of Mr. Snyder:

If we do not want to be up against a terrible unemployment crisis, within four or five years—

Since the article was written on October 5, 1963, that would take us to 1968.

If we do not want to be up against a terrible unemployment crisis within four or five years, it is important that teams of sociologists and economists—

Mr. Speaker, when I see the hon. member for Matapedia-Matane (Mr. Tremblay) in his seat, I suggest to the government to mobilize the hon. minister and also the sociologists or economists who are members of the government team. I suggest to mobilize them not to let them sit in their place without offering any solution, but, as Mr. Snyder put it:

—teams of sociologists and economists to prepare drastic solutions to deal within an unprecedented problem.

*Unemployment Measures Lacking*

Mr. Speaker, we need drastic solutions, not bogus solutions. And what is that unprecedented problem? It is that automation will involve before long, in the United States, the elimination of 40,000 jobs each week. And we in Canada will feel the impact of that situation, even if it originates in the United States.

Mr. Speaker, it is not full employment which will offer a solution to the problem of automation, because it is evident that the more we use machinery, the greater the number of our unemployed people.

The question is to decide whether the use of machines in Canada is to penalize men, women and children or whether it should assist and serve the human person in Canada.

That is the question.

Mr. Speaker, why is it always necessary to offer the Canadian people a dish of oats as you would to horses to round them up in a corral? Why not enact legislation fitted to human needs?

Why not come up with bold solutions—and again this is where economists and sociologists would have an important role to play—since solutions half a century old can no longer meet the requirements?

This is neither 1867, 1912 or 1934 but 1963. Means of production have changed. There has been progress everywhere in the world except as far as the monetary system is concerned. In Canada and in other countries professing their respect of democracy, human rights and the right of every man to live decently in a country of his own, the monetary system has remained unchanged.

Mr. Speaker, it is our duty to create an economic context which would permit the accomplishment of the human personality and would make it possible for every human being to live his life according to his aspirations, and his talents. Then, we would see the whole of Canada achieve the high level of culture and the high standard of living sought by every Canadian.

Mr. Speaker, when the Social Crediters come up, in this house or outside, with a suggestion to boost the Canadian economy or even with something new, because we do need something new in Canada, and they maintain that the monetary system is without the shadow of a doubt what is preventing the economic recovery of this country today, they are right. Our monetary system is not adapted to the people's needs, and that is why, from one end of the country to the other, in all our provinces, we are faced with the same financial difficulties that prevent us from getting out of that rut that enslaves us.

Mr. Speaker, we are talking about monetary reform when the governments which have followed one another for the past 25 or 30 years have only been concerned with the reform of morals, institutions and private enterprise, with the interference of the left-wing and right-wing parties, the interference of the government with the people's way of life, the interference of the government with private property and private industrial planning.



Earlier, we have heard again a socialist colleague asserting that in order to boost our economy it was necessary to resort to socialism, planning, yokes and strait-jackets in Canada. We do not share that view. We believe that what exists in Canada today is not due to the initiative of the federal or the provincial governments but rather to free enterprise, to private planning which, in 1962, succeeded in creating in Canada a gigantic production of goods and services valued at $43 million. The government does not produce; on the contrary, it prevents production. And that is so true that recently it was decided to exempt from income tax any new corporation that would settle in underdeveloped or depressed areas.

Mr. Speaker, if the government does that, it is because it understands that private enterprise in Canada is now being taxed to the limit, and that is precisely the obstacle in the way of that economic development which this country needs at the present time.

Mr. Speaker, the monetary reform advocated by Social Credit is not at all mysterious.

A little while ago, the hon. member for Sherbrooke said that unemployment insurance is not much good. I agree, but when he goes on to say that unemployment insurance is an encouragement to laziness, then I do not agree with him. If there was no unemployment insurance at the present time, all our unemployed would literally starve in an immensely rich country.

Today, at noon, we heard the Minister of Agriculture (Mr. Hays) say that he had concluded a great sale of wheat to Poland. We made wheat sales to China, the U.S.S.R. and also Czechoslovakia, Mr. Speaker, but that did not create a single job in all Canada.

Why? Because, as I said, automation is the current problem. Now, as private enterprise and others in Canada use more and more machines instead of men, production will go on increasing year after year, and also the number of unemployed.

There is only one warranted and possible solution, and it is the following one: as machines, progress and science replace men at work, the government ought to order the Bank of Canada to give back to men, women and children a purchasing power which will enable them to buy what is produced by machines, progress and science. Then we will

respect the human person and at the same time machines, progress and science.

Mr. Speaker, the monetary reform proposed by Social Credit is extremely simple: to make financially possible what is physically realizable, desirable and morally good.

In that connection, a man very conversant with the monetary policies of Canada made a statement on October 24, 1963 or during the week of October 24. I am referring to a lecture by Mr. Louis Rasminsky, governor of the Bank of Canada, reported as follows in an article written by Mr. Laurent Lauzier of *La Presse* in Montreal:

> At the beginning of the week, Mr. Louis Rasminsky, governor of the Bank of Canada, gave a most useful talk in which he explained the true role of monetary policy in the Canadian economy.
>
> At this time when very different theories are being advocated concerning this delicate and complex question which seems to be the fundamental cause of the money crises our country has gone through, these past few years, it became imperative for this official to state the principles he follows in this field and to define the true meaning of monetary policy as an instrument to control our prosperity.

How can we speak of an instrument to control our prosperity when we have thousands and thousands of unemployed and needy families in Canada? And now we are being told about "an instrument to control our prosperity".

It must be admitted, Mr. Speaker, that the instrument to control our prosperity has unfortunately been a failure throughout Canada.

"The instrument to control our poverty" would be a more appropriate term in the circumstances.

Mr. Lauzier goes on to say in his article:

> Mr. Rasminsky does not share the views of those who credit money management with a magic power, in the best as well as in the worst interests of our society. He gives it a much narrower scope. According to him, the monetary policy is not enough by itself to cure an economy beset with many ills, any more than a single medicine can succeed in restoring a sick person to health.

We appreciate this statement from the governor of the Bank of Canada. On the other hand, if the monetary policy alone is not sufficient to cure a deficient economy, what has the governor of the Bank of Canada to answer, for example, when we are asking the government to adopt more generous social measures.

What is lacking in Canada? Are we short of resources? Are we short of labour? No, we have from 500,000 to 600,000 unemployed. Are we short of brains, ability or goodwill? Mr. Speaker, we have all that in Canada. What we need, and the government is aware of it day after day, is money. We are suffering from a shortage of money and credit, from this chronic evil which prevents the government from taking action to enable Canada to develop as it should in 1963.

Mr. Speaker, we have all that in Canada. But what is wrong, and the government realizes it more every day, is that it suffers from a chronic lack of money and credit, which prevents it from taking action to help Canada grow and prosper as it should in 1963.

And that is all Mr. Rasminsky's doing, that remarkable economist, chairman and governor of the Bank of Canada, who puts his nose into all sorts of things he does not seem to understand at all. But he can understand that monetary policy—

> May contribute to correct a difficult situation—

There he admits that from 1929 to 1939, conditions were difficult for us. At that time we had thousands of unemployed in Canada, we had no social legislation, no family allowances and no old age pensions, in short we had no social security whatever, and the jobless were struggling along in abject misery at the time.

And in the years 1933-1934, when we had hundreds of thousands of unemployed, they destroyed wheat in western Canada, potatoes in eastern Canada, they threw thousands of bags of flour into the great lakes, milk into the sewers, and the same more or less happened all over Canada.

Now, at that time, the government had no solution. Yet suddenly, as if by magic—to quote Mr. Rasminsky—under the 1939 government and the leadership of the Right Hon. William Lyon Mackenzie King, they succeeded in finding millions of dollars to organize war and put Canada on a war footing overnight. As if by magic, the number of unemployed decreased and then vanished completely in Canada, as jobs were created by the war industries.

Is the situation today not equally urgent and does it not require that the problem be considered quite earnestly.

Mr. Rasminsky exclaims:

> It can contribute to correct a difficult situation or act as a stimulating factor on the economy...

"Act as a stimulating factor". He admits that it can be a stimulating factor for the economy.

> —when circumstances allow it.

Would the present circumstances not allow it? This is where Mr. Rasminsky forgets to state what are those circumstances.

> —but it may show itself powerless and even inefficient if it is used to solve problems which are unrelated to its function.

Now, Mr. Speaker, all the problems today, and everyone knows it, are essentially financial problems.

*Unemployment Measures Lacking*

In all fields where industry and the government want to take action, we are faced with a shortage of money.

There is no inflation at the present time in the country, it is rather deflation which is prevailing. Our production amounted to $43 billion in 1962, compared to a national income of approximately $32 billion. That is not inflation.

Inflation would be an inexistent production and at the same time an abundant purchasing power. That would be inflation. But when I think that we have no purchasing power and a production of $43 billion only for 1962, I say that we are living under deficit conditions and that there is deflation at present instead of inflation.

I continue this quotation from Mr. Rasminsky's speech:

> In other words, the governor of the Bank of Canada admits that the monetary policy is not a panacea.

We never stated that the monetary policy could graft a new leg onto a man with a wooden leg. We know that. It is not necessary in order to grasp that fact to have Mr. Rasminsky's knowledge in monetary matters. Our monetary policy, must be truly representative, it must reflect the goods and services produced in Canada. That is all there is to it. That is precisely what the Social Crediters have said for a long time. With all due respect to Mr. Rasminsky, governor of the Bank of Canada, Social Crediters maintain that when the government borrows from a charter bank one billion dollars for public works or for other projects, and when it undersigns bonds or debentures at 5 or 5½ per cent, maturing in 20 or 25 years, new credit is created by the banks; in 25 or 30 years, that credit must be reimbursed together with the interests, which by then will come to a greater amount than the borrowed capital. Which means that we shall have to reimburse over $2 billion for a loan of $1 billion made in 1963. Our children will probably have to carry the load of the national debt that we are creating today.

I feel that at the moment our prime duty is to prevent the existing system not only from undermining our savings, but also from burdening the future that our children will inherit in 20 or 25 years from now.

Mr. Speaker, under the present system, Canada will never be able to repay its national debt, because it is made up of a credit created by banks, added to an interest which was never created; and that is what makes up the national debt which, at the present time, is costing us $1 billion every year as indicated by the Minister of Finance when he introduced his budget—

[Mr. Caouette.]

**Mr. Choquette:** You have been shouting that for a long time.

**Mr. Caouette:** And for 20 years, my dear friend, you have failed to understand. That is why we keep repeating it.

**Mr. Choquette:** You have been shouting that for 20 years.

**Mr. Caouette:** Mr. Speaker, I hear the hon. member for Lotbiniere (Mr. Choquette) say that we have been shouting that for a long time. I may say that the Bible has been preached for 2,000 years and there are still millions of people like my friend for Lotbiniere who go to the devil every day.

Mr. Speaker, the governor of the Bank of Canada continues:

> —he recognizes that the monetary policy is no cure-all and that its impact on the Canadian economy is far from being as important as certain people believe.

It is on this point that I should like to have explanations from the governor of the Bank of Canada in order to see whether the monetary question has no impact on the economy of a nation.

When we hear about a contributory pension plan to which everybody would be a contributor, when you see that today the province of Quebec with Mr. Lesage's government has to deal with feasible undertakings and new potential as, for instance, the steel industry which would have as a corollary an automobile industry, what are the problems which the premier of the province of Quebec must cope with?

He must deal with a monetary problem exactly the same as we have here in Ottawa. It is that problem or that situation which the federal government does not dare touch, does not wish to touch and does nothing to hold in check or at least try to improve the monetary conditions in Canada.

The minister of education of the province of Quebec said: "We do not have enough money." Some 15 years ago, we heard the premier of the province of Quebec, Mr. Maurice Duplessis, state: "We are not manufacturers of taxes, we do not manufacture the money." Those words were said by the premier of the province of Quebec at that time.

**Mr. Choquette:** Would the hon. member for Villeneuve tell us, supposing the Social Credit theories were applied, in what proportion does he think unemployment would come down?

**Mr. Caouette:** In reply to my very good friend, Mr. Speaker, I say: a hundred per cent, because the financial problem would come in second place then, whereas today it is the financial problem which prevents the economy from getting off the ground.

**Mr. Choquette:** There will always be unemployment.

**Mr. Caouette:** That is right, but it would be extremely low because maximum employment would be achieved by putting into practice the Social Credit doctrine. And I know that my hon. friend from Lotbiniere understands what I mean. If Social Credit is wrong, why does not the government offer us a solution, not an unrealistic solution which does not lead anywhere, but a true solution which will contribute to create and give new strength to the Canadian economy in general.

Mr. Speaker, the governor of the Bank of Canada adds:

In that respect, the diagnosis formulated by Mr. Rasminsky is one of the most realistic ever to come out of the federal capital. Canada's true economic problem is not a monetary one, it is related to its industrial production level.

Here Mr. Rasminsky spoke either in bad faith or through ignorance, or both.

Mr. Speaker, I have just given figures showing that our national production had reached $43,664 million in 1962, and we hear the governor of the Bank of Canada say that Canada's industrial production is not high enough. Then I say that the governor of the Bank of Canada is a public liar and nothing else.

If you compare the abundance of our natural resources with the high level of unemployment we have, you must admit that the output of our economy is definitely insufficient and that it is the main cause of our trade deficit.

What is the reason of that deficit? Instead of processing our raw material in Canada and then exporting it to the United States where people would be interested in buying our finished products, we export our raw material to be processed by the Americans and then sold back to us as finished products.

It is because we have failed to face up to our responsibilities as representatives of the Canadian people that our general economy is 90 per cent under American control.

There is not a single monetary measure that can solve this problem. Perhaps not in a permanent way. But let us at least try this one and, eventually, should reforms be necessary in order to achieve this goal, we shall deal with them in due time.

The latter depends chiefly on our ability to produce more.

Mr. Rasminsky says: "Our ability to produce more".

We have from 400,000 to 500,000 unemployed people in Canada. We have capable people available for work and we are being told that we lack the ability to produce, when our production amounts, and I say it once more, to $43 billion in products and services, and when one thinks of the number of unemployed people we have—

**An hon. Member:** What does Mr. Rasminsky produce? Do you know?

**Mr. Caouette:** Somebody asks me: "What does Mr. Rasminsky produce?" I am wondering about this myself. Apart from the debts that we have in Canada, that is the only thing he can do.

Since his appointment to the important position which he holds at the present time, Mr. Rasminsky delivered this week his first lecture.

He should have cancelled his first lecture, since it would probably have prevented him from saying such nonsense in Montreal.

It must be that he deemed it essential to intervene at last in the discussion in order to clarify a situation which threatened to become more and more confused.

We have confusion already. We are here since May 16, 1963, and confusion is prevalent. The Prime Minister feels that all is not going well in this house, that there is filibustering on the part of the official opposition.

We are wondering what is the government waiting for to take the steps which would likely get the Canadian economy moving again.

Nobody seems to know anything. If you write to the minister or his deputy you are told that they do not know; the minister does not know anything nor does anyone else and, in the meantime, the people are burdened with a national tax budget of over $6 billion a year.

Mr. Speaker, the governor of the Bank of Canada carries on, or rather the newspaperman:

Let us hope that his message will be carefully scrutinized, by all those who take an interest in the part played by the monetary policy in our economic life.

He shows a sense of restraint and reality we are not too accustomed to see, and that should give our politicians food for thought, especially those who rely on drastic monetary reforms for the welfare of all our people.

We are among those who insist upon a drastic monetary reform, and that does not mean taking away savings or money from people who have some, but restoring a perfect balance between purchasing power, which is in the hands of consumers, and total production, which is the result of our common efforts in Canada.

We have workers, farmers, labourers, white collars, professionals, we have people from all social classes contributing to Canada's total production, whether in the form of good or services, and all those elements are required if the economic and social affairs of a nation are to run smoothly.

But there should be no impediment to the carrying out of a major program. We, of the Social Credit, suggest at this time that this impediment is to be found in our obsolete monetary system, which no longer meets the needs of the Canadian nation. When this system is changed, reformed so that every Canadian gets his fair share of our tremendous national wealth, we shall then have discharged our responsibilities, we shall have the satisfaction of having fulfilled our duty.

Mr. Speaker, may I remind you that it is six o'clock.

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

[*Translation*]

**Mr. Caouette:** Mr. Speaker, before the six o'clock adjournment, the hon. member for Lotbiniere (Mr. Choquette) asked me whether there would still be unemployment if the Social Credit theory were applied. My answer is no and this is the reason why. Because of automation, the use of machinery and the progress of science, the unemployed would no longer be called "unemployed" but "retired". That is the difference between the present system we tolerate and the application of Social Credit principles.

What does Social Credit advocate? First of all, there is a reform of the monetary system to make the Bank of Canada the sole creator of new credit and to force the chartered banks to keep reserves equal to 100 per cent of the loans they make, as is the case at present for the caisses populaires. The banks would continue to lend exactly as at the present time, but instead of creating fictive loans, they would lend their depositors' money. It would be something concrete and not mere figures as is the case today.

We suggest the setting up of a credit control board responsible for maintaining a perfect balance between money supply and outstanding credit on the one hand, and the gross national product on the other hand.

To maintain this balance, we suggest that a national dividend be distributed among all Canadian citizens. This dividend would be based on the difference between production on one hand and purchasing power on the other. That would not in the least create inflation, but would establish a perfect balance between the purchasing power and the goods and services offered and produced in Canada. The payment of a dividend does not mean inconsiderate creation of money, without limit, but rather a dividend always closely related to the difference between production and purchasing power. This would then be social dividend because it would reach every individual in Canada and would be at the service of everyone. It would be socially besides being economically just.



Because of the consequences of automation, I do not see, Mr. Speaker, any other means to reach Canadian consumers, to enable them to purchase the things they need, the goods and services produced by the Canadian people.

That new purchasing power would not only do away with inflation but would always maintain a reasonable balance between, on the one hand, what consumers need to buy and, on the other hand, what producers have to offer to the consumers.

We are also suggesting a compensated discount to allow for an increase in purchasing power which would not necessarily amount to an increase in the money supply. Such a compensated discount was actually in force during the war years when the Liberal government of the day granted a two-cent a quart discount on milk, which was given to milk consumers and paid to milk producers or distributors.

Those are measures which are really different from what we have now. Those are measures which tend to bring a smile to the faces of those who have absolutely no solution to offer to deal with the present economic uneasiness.

Social Crediters feel they have that answer, and we are convinced that if economists of the Liberal party were to take the trouble of studying the proposals made by Social Credit, our national affairs could be run much more efficiently.

In the past, the Liberals as well as the Conservatives have beaten around the bush in a pitiful way within the framework of a system which no longer suits the needs of the nation.

Should we assimilate man, force him to put up with that system, or are we not duty bound to create a system which shows some respect for the individual?

Are systems meant to punish men or are they not designed to serve mankind?

If systems must exist to serve man, it is time that we, members of parliament, those responsible, took action.

[*Text*]

**Mr. Speaker:** Order. I regret to inform the hon. member that his time has expired.

**Mr. Bell:** On a point of order, Mr. Speaker, I wish strenuously to object at this time, before any other speaker is recognized, to the way the time has been allotted in this debate. The hon. member for Kootenay East (Mr. Byrne) rose in the same regard before supper and I am substantially in agreement with the remarks he made at that time. I feel we have a quarrel with the government in that we should be given an opportunity now to reply to the Minister of Labour (Mr. MacEachen); but nevertheless I feel it is very unfair that six members from the minor parties have been heard in this debate while only three members from the official opposition and three members from the government side have been heard. I hope you will take this into consideration in the other important debates in the future.

**Mr. Byrne:** Mr. Speaker, the point of order—

**Mr. Nielsen:** Mr. Speaker, I intended to raise this point—

**Mr. Speaker:** Order. There are two members talking and I can only listen to one at a time. I believe the hon. member for Kootenay East (Mr. Byrne) was on his feet before the hon. member for Yukon (Mr. Nielsen) so if he is rising on a point of order I would ask him what is his point of order.

**Mr. Byrne:** Thank you, Mr. Speaker. The point of order raised by the hon. member for Saint John-Albert (Mr. Bell) is the very one I raised earlier this afternoon, but when the hon. member says that the official opposition should have the right to answer the minister, then I certainly take exception to that suggestion. After all, it is the government that is defending itself on a want of confidence motion, and the minister was replying to the charges made by the former minister of labour, the hon. member for Ontario (Mr. Starr). I submit that this is a case—

**Mr. MacInnis:** On a question of privilege—

**Mr. Byrne:** —where the rules clearly provide that a government member should be heard at this time.

**Mr. MacInnis:** Mr. Speaker, I have a question of privilege.

**Mr. Speaker:** Before the hon. member raises his question of privilege I think I should give the facts to the house. There have been three speakers from the Conservative party, three speakers from the Liberal party, two speakers from the New Democratic party, two from the Social Credit party, and two from the Ralliement Creditiste.



**Mr. Bell:** We have 95 members. Surely we are entitled to more time than that.

**Mr. MacInnis:** On a question of privilege. My question of privilege arises from a ruling Your Honour made in this house on October 29, 1963, and I wish to refer to it, as reported in the first column of page 4151 of *Hansard*:

> There should not be a list of speakers with an order of precedence in the House of Commons.

That is citation 121 of Beauchesne. I would respectfully call to your attention, sir, that just now you referred to a list, and that list was at the Speaker's chair this afternoon when I approached the chair. The list was shown to me and the occupant of the chair at that time complained about the very point brought up by the hon. member for Kootenay East (Mr. Byrne) and now by the hon. member for Saint John-Albert (Mr. Bell). The occupant of the chair made that complaint when I approached him about this list. Once again, the first sentence of your ruling on October 29 is:

> "There should not be a list of speakers with an order of precedence in the House of Commons".

On a point of order, sir, you have now referred to a list.

**Mr. Byrne:** I do not know that I want to be lectured by the hon. member for Cape Breton South (Mr. MacInnis), but he must admit that there was no suggestion of a list.

**Mr. Speaker:** Order, please. We do have to have a certain sequence, even if I have to take the brunt of it.

**Mr. Nielsen:** I should like to speak on the point of order raised by the hon. member for Saint John-Albert. I heard the statement made by the Speaker with regard to the sequence of speakers in this house. There have been three from the Liberal party, three from the Conservative party, two from the New Democratic party, two from the Social Credit party, and two from the Creditistes. This means that with less than half of the number of members of the official opposition the three splinter parties in this house have taken up more than twice the time taken up by the official opposition. It seems to me that a more proportionate distribution of time should be awarded in this house.

It has been suggested by Mr. Deputy Speaker that this is a matter for agreement among the whips of the parties in this house. With this I disagree. I think Your Honour has the responsibility of determining the order on a fair and reasonable basis according to the time to be allotted to the members of various parties who wish to speak on a resolution such as this. It seems to me that the hon. member for Saint John-Albert (Mr.

*Division*

Bell) should be recognized. After all, he has only 60 seconds left in which to speak. The Minister of Labour was the last one to speak on this subject and it appears to me, therefore, a spokesman for the official opposition has a right to comment on the material the minister used in his speech. To deny this right to the official opposition is to take away the fundamental right of an opposition to exercise its responsibility—

**Some hon. Members:** Filibuster.

**Mr. Nielsen:** —to oppose where opposition is necessary. After all it is an amendment put up by the official opposition which is under discussion at this time. The Minister of Labour spent 30 minutes, before the recess, in explaining the theories of his government with regard to this matter. The hon. member for Saint John-Albert should have the right to speak now on behalf of the opposition.

**Mr. Byrne:** The official opposition having accomplished what it set out to do, to prevent me from speaking—

**Mr. Speaker:** Order. The time has arrived for the Speaker to have his say. It being 8.15 p.m. it is my duty, pursuant to standing order 56, to interrupt these proceedings and put forthwith the question on any amendments which are now before the house.

The house divided on the amendment to the amendment (Mr. Fisher) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Beaule
Bell
Bigg
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Chatterton
Churchill
Clancy
Coates
Danforth
Diefenbaker
Dinsdale
Douglas
Enns
Fane
Fisher
Flemming (Victoria-Carleton)
Forbes
Gauthier
Grafftey
Gregoire
Gundlock
Hales
Hamilton
Herridge
Horner (Acadia)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Lamb
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martineau
Mather
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nielsen
Nowlan
Nugent
Orlikow
Ormiston
Pascoe
Paul
Peters
Pigeon
Plourde
Pugh
Rhéaume
Ricard
Simpson
Skoreyko
Slogan
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Watson (Assiniboia)
Webb
Webster
Weichel
Willoughby
Winch
Winkler
Woolliams—92.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Batten
Bechard
Benidickson
Benson
Berger
Blouin
Boulanger
Byrne
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Longueuil)
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Drury
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Forgie
Frenette
Garland
Gelber
Gordon
Granger
Greene
Guay
Habel
Hahn
Haidasz
Harley
Hays
Hellyer
Honey
Howard
Jewett, Miss
Kelly
Klein
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Laniel
Laverdiere
Leduc
Lessard (Lake St. John)
Lessard (St. Henry)
Lloyd
Loiselle
Macaluso
Macdonald
MacEachen
Mackasey
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Olson
Otto
Ouellet
Patterson
Pearson
Pennell
Pepin
Pickersgill
Pilon
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Sauve
Sharp
Teillet
Temple
Thompson
Tremblay

Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—118.

**Mr. Speaker:** I declare the amendment to the amendment lost.

The question is on the amendment to the main motion.

**Mr. Beer:** I was paired. Had I voted, I would have voted against the amendment.

**Mr. Rynard:** I was paired with the hon. member for Brantford (Mr. Brown). Had I voted, I would have voted for the amendment to the amendment.

**Mr. Peters:** Mr. Speaker, the hon. members for the ridings of Timmins (Mr. Martin), Danforth (Mr. Scott), Burnaby-Richmond (Mr. Prittie) and Comox-Alberni (Mr. Barnett) are not paired but are absent on official business.

**An hon. Member:** That is for the *Globe and Mail.*

**Mr. Speaker:** The question is on the amendment to the main motion.

The house divided on the amendment (Mr. Starr) which was negatived on the following division:

*Division*

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cantelon
Chatterton
Churchill
Clancy
Coates
Danforth
Diefenbaker
Dinsdale
Enns
Fane
Flemming (Victoria-Carleton)
Forbes
Grafftey
Gundlock
Hales
Hamilton
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Korchinski
Lamb
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nielsen
Nowlan
Nugent
Ormiston
Pascoe
Paul
Pigeon
Pugh
Rheaume
Ricard
Simpson
Skoreyko
Slogan
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler
Woolliams—75.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Batten
Beaule
Bechard
Benidickson
Benson
Berger
Blouin
Boulanger
Byrne
Cameron (High Park)
Cantin
Caouette
Cardin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Longueuil)
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Drury
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Forgie
Frenette
Garland
Gauthier
Gelber
Gordon
Granger
Greene
Gregoire
Guay
Habel
Hahn
Haidasz
Harley
Hays
Hellyer
Honey
Howard
Jewett, Miss
Kelly
Klein
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Laniel
Laverdiere
Leduc
Lessard (Lake St. John)
Lessard (St. Henry)
Lloyd
Loiselle
Macaluso
Macdonald
MacEachen
Mackasey
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Olson
Otto
Ouellet
Patterson
Pearson
Pennell
Pepin
Pickersgill
Pilon
Plourde
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Sauve
Sharp
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—123.

*During the taking of the vote:*

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I rise on a question of privilege. I did not observe that the members of the official opposition had finished voting. I and my colleagues who have not voted would like now to have the opportunity of having our vote registered in favour of the amendment.

*Division*

**Mr. Olson:** On the question of privilege, Mr. Speaker—

**Mr. Speaker:** Order; I must say that this is a very unusual situation. I am searching frantically for a precedent. There is a way, I think, that might be adopted. With unanimous consent permission could be granted, but without unanimous consent it would be difficult.

**Mr. Olson:** First of all, Mr. Speaker, I want to say that there is not unanimous consent of the house. Second, it is incredible that 12 members could miss a vote when Your Honour called it.

**Mr. Speaker:** Hon. members will realize that it is most unusual to raise a point of order during a vote and before the result is announced. Unless we have unanimous consent there is nothing the Chair can do in this situation except wait for the announcement by the Clerk.

*After the taking of the vote:*

**Mr. Rheaume:** I wish to raise a grievance—

**Mr. Cardiff:** I was paired. Had I voted, I would have voted for the amendment.

**Mr. Beer:** I was paired. Had I voted, I would have voted against the amendment.

**Mr. Rynard:** I was paired with the hon. member for Brantford (Mr. Brown). Had I voted, I would have voted for the amendment.

**Mr. Douglas:** Had I voted, I would have voted for the amendment.

**Mr. Fisher:** Had I voted, I would have voted for the amendment.

**Mr. Herridge:** Mr. Speaker, if I had the opportunity to vote, I would have voted for the amendment.

**Mr. Winch:** The same thing goes for me.

**Mr. Knowles:** If I had a chance to vote, I would have voted for the amendment.

**Mr. Peters:** I also would have voted for the amendment.

**Mr. Cameron (Nanaimo - Cowichan - The Islands):** I would have voted for the amendment.

**Mr. Brewin:** Me too, Mr. Speaker.

**Mr. Mather:** I would have voted for the amendment.

**Mr. Howe (Hamilton South):** I would have voted for the amendment.

[Mr. Douglas.]

NORTHWEST TERRITORIES—FAILURE TO PROCEED WITH LEGISLATION—PATRONAGE

**Mr. Gene Rheaume (Northwest Territories):** Mr. Speaker, I wish to bring a grievance before the house at this time. Simply stated in general terms it is that as a result of the inability of the Prime Minister to establish legislative priorities, and to prevent his cabinet colleagues from intentionally denying and withholding essential information from opposition members, he has prejudiced the integrity and purpose of parliament.

I intend to document my grievance and in the course of it will lay before the house a story of patronage, a story of ministerial untruth, a story of inaction, a story of what I call 60 days of so-called decision, followed by 60 days of frenzy, followed by 60 days of subterfuge.

**Mr. Macdonald:** On a point of order, Mr. Speaker, judging from what the hon. member has said this seems to be the same insubstantial and nonsensical grievance which the hon. member for Yukon (Mr. Nielsen) brought before us some two weeks ago, and I would submit to you, sir, that it would not be in order for the hon. member to continue that discussion at this time.

**Mr. Speaker:** I must say I have not heard enough of the speech of the hon. member for Northwest Territories to reach a decision. It seems to me he was merely breaking into his introduction.

**Mr. Rheaume:** Mr. Speaker, all of these items I have mentioned have worked a peculiar hardship on the Canadian north, and that is why I want to be the one who leads off the grievance period. There are perhaps some other reasons why I should. For one thing, I am a backbencher, and for another I am new to parliament. For another thing I am rather young. As a matter of fact I can still be hurt. You see, I still essentially believe in democracy.

Mr. Speaker, I am not a cynic, and perhaps this is because I have not been betrayed, or lied to, or conspired against. I have not, as a matter of fact, sold myself out. I have never had my hand in anyone's till. In short, Mr. Speaker, I have had none of those wonderful experiences that go into the formation of the kind of politician for whom the present government seems to have endless respect.

I have said that the Prime Minister has failed to establish legislative priorities, and I say there is one other person involved here too, and that is the house leader, the Secretary of State. I say that these two are to blame and the other members of the treasury benches do not have to take as much blame because it really is not their fault.

For example, I think the Minister of Mines and Technical Surveys (Mr. Benidickson) if he had the ear of the cabinet and the confidence of the house leader, would have introduced legislation long before this under the Emergency Gold Mining Assistance Act, and would thereby have set at ease the worries and concerns of the many communities in Canada who wonder whether or not this program is to be extended.

I know too that the Minister of Citizenship and Immigration (Mr. Favreau) is most anxious to bring forward legislation to establish the Indian claims commission. Indeed I was at a conference with the minister in Winnipeg when he categorically promised the Indian people that the new era was about to dawn because he would see to it an Indian claims commission was established very soon, and certainly prior to Christmas.

I think the Minister of National Health and Welfare (Miss LaMarsh) also would have introduced, and got beyond second reading, the Canada pension plan. I want to digress momentarily at this point, but I can assure the hon. lady I will be coming back to her later. She likes to call herself the mother of all pensions, but after listening to what the Prime Minister told us yesterday I wish to say this surely will be the longest legislative pregnancy ever on record.

**Mr. Macdonald:** On a point of order, Mr. Speaker, I have been listening carefully to the hon. member and he has failed so far to raise any specific grievance.

**Mr. Rheaume:** Mr. Speaker, the failure of the government to introduce legislation has worked a particular hardship on the Northwest Territories, and I propose to bring this right close to home now. As hon. members may or may not know, the territorial council of the Northwest Territories is composed of nine members, five of whom are appointed by the governor in council, and who live in the south. They serve council terms at pleasure. Four members of the Northwest Territories council are elected, and they are elected for a three year term. The commissioner of the Northwest Territories is head of the council, and is a federal government official answerable to the Minister of Northern Affairs and National Resources.

My point is that the terms of the elected members of the Northwest Territories council expire two days from now, on Thursday, November 7. At that point, because of the failure of the government to bring forward legislation, those four elected councillors will no longer have elective status as of Friday morning, and they themselves will have no opportunity to go back to the people of the Northwest Territories and seek a new mandate. Similarly, the people of the Northwest Territories will no longer have elected councillors to whom to go. They will have no way democratically to express to a democratically elected representative a wide range of problems relating to Northwest Territories matters.

**Mr. Fisher:** May I ask the hon. member a question, not to interfere with him, but to assist those of us who are interested in following on the debate. Is the Northwest Territories a specific grievance, or what is? I ask because we would appreciate co-operation from him. If he would state what his grievance is then we can plan to take part in the debate.

**Mr. Rheaume:** At the beginning I gave a general grievance and illustrated it with the particular hardship this is working on the Northwest Territories. My grievance is that the government, through its failure to introduce urgently needed legislation and bring it forward in a consistent manner, is working a hardship throughout this country and, in the case of my particular constituency, it will result in the inability of elected councillors to go back to the people—

**Mr. Pickersgill:** Mr. Speaker, I would like to raise a point of order at this point. I submit to Your Honour that there is legislation on the order paper, that the government has repeatedly sought to bring forward, to deal precisely with the matter which the hon. gentleman is now referring to.

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** I am speaking on a point of order, Mr. Speaker, and I believe I have the floor. Under the well established rules it is not possible at this grievance period to bring up matters connected with another matter on the order paper that is set down for consideration at another time. Therefore, it seems to me that the trend of the hon. gentleman's statement at the present time is completely out of order and the house is entitled to know what is the specific grievance of the hon. gentleman so that we can train our minds to it. He is not entitled to make the kind of speech at this time that one makes during the budget debate or during the debate on the speech from the throne. The hon. gentleman should be called to order. I submit that the Chair should insist that he obeys the rules as do other hon. members and state his specific grievance, and state it clearly so that it can be understood by the house and replied to by the government.

**Mr. Rheaume:** Mr. Speaker, on the point of order, if the Secretary of State (Mr. Pickersgill) intends to live up to the commitment he

gave this house on July 8 and subsequently, that the matters contained in Bill No. C-83 and Bill No. C-84 would be referred to a standing committee, then there is no possibility that this legislation can get through the house prior to this Friday, at which time the elected members of the Northwest Territories council lose their status. That is the fault of the house leader on the government side.

My point is that the onus is on the government to cause the legislative election machinery in the Northwest Territories to commence rolling. Nothing has been done under the existing legislation to allow for this. The chief electoral officer has not caused any enumerations to be carried out in the Northwest Territories. He has not called for nominations. In fact there will not be an election in the Northwest Territories prior to this Thursday; yet the present law calls for it. I can only suggest it is because the Secretary of State is not concerned about that part of the country.

**Some hon. Members:** Shame.

**Mr. Rheaume:** To take this up—

**Mr. Pickersgill:** Mr. Speaker, I respectfully request a ruling on the point of order I raised.

**Mr. Speaker:** I am, of course, doing my best to be fair and impartial. I should like to hear further comment from the hon. member for Peace River (Mr. Baldwin).

**Mr. Baldwin:** Mr. Speaker, on the point of order which has been raised it is my submission that this point would apply only if it were the intention of the hon. member for Northwest Territories (Mr. Rheaume) to found a substantive motion or deal with something which would in fact anticipate legislation which it is proposed to introduce. But surely, if the hon. member is not to be permitted to deal with any matter in the form of a grievance, for the purposes of discussion, a matter which happens to be on the order paper, then the range of subject matter which he is allowed to discuss would be so curtailed as to make the use of this ancient privilege of no value at all. My submission is that it is not a grievance on which any motion will be founded; consequently the point of order which the Secretary of State (Mr. Pickersgill) has raised is not applicable to this particular grievance.

**Mr. Nielsen:** Mr. Speaker, on the point of order, the grievance I raised on October 22 dealt with some 1,200 matters which were on the order paper. It seems to me that the Secretary of State (Mr. Pickersgill) is indulging in his usual tactics of obstruction and of preventing hon. members from exercising their right to air grievances.

On the point raised a moment ago by the hon. member two seats back, about not being able to raise the same grievance, there is no rule in the book that I know of which prevents an hon. member following on with the same grievance; it is still the subject of a grievance. The hon. member for Northwest Territories has raised this dual grievance: the fact that this legislation is being blocked by inactivity and failure to act on the part of the government; and the patronage which exists in several departments in the government. The hon. member is speaking on both these grievances, and I fail to see why he should not be allowed to continue.

**Mr. Macdonald:** Mr. Speaker, on the point of order, I gather from what the hon. member for Yukon (Mr. Nielsen) said that he has now acknowledged that the hon. member for Northwest Territories is about to repeat the debate which was concluded several weeks ago.

**Some hon. Members:** Oh no.

**Mr. Macdonald:** I should like at this point to put before you the authorities upon which I based my original point of order. Perhaps at the same time I should deal with the authorities supporting the position taken by the Secretary of State (Mr. Pickersgill).

**Mr. Woolliams:** What page?

**Mr. Macdonald:** With regard to the fact that this will anticipate legislation coming before the house, may I make reference first, for the benefit of the hon. member for Bow River (Mr. Woolliams), to citation 149 of Beauchesne's fourth edition, which indicates the rules of debate which should be followed not only in connection with the government business before the house but in connection with grievances brought up at such time as this. If I may refer more particularly to this rule, it says:

> Besides the prohibitions contained in standing order 35; it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:—
>
> (d) anticipate discussion on a motion set down for future consideration;—

I submit to you, Mr. Speaker, that the matters with which the hon. member for Northwest Territories is seeking to deal are matters which are the subject matter of two motions at present on the order paper, and as such his reference to those matters at this time is contrary to the rules of debate and he should not be heard. On the second point—

**Mr. Rheaume:** Mr. Speaker—

**Mr. Macdonald:** I believe I have the floor, Mr. Speaker—may I refer to citation 234 of Beauchesne's fourth edition, which deals with the question of grievances being brought up at this time.

> 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—
>
> (2) It often happens, on the motion that the Speaker leave the chair for committee of supply, that members air grievances without moving amendments. A member may speak on railway rates, another on naturalization, and so on. Five or six different matters may then be brought to the government's attention. Once debate is concluded on one matter and another matter intervenes, members cannot again discuss the former.

I would also refer to Beauchesne, citation 148.

**Mr. Woolliams:** What page?

**Mr. Macdonald:** Page 126, paragraph (1). Perhaps someone will explain to the hon. member for Bow River that the citations in Beauchesne follow each other numerically and that citation 148 follows 147 and comes immediately before citation 149.

> It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.
>
> It is irregular to reflect upon, argue against, or in any manner call in question, in debate, the past acts or proceedings of the house, on the obvious ground that, besides tending to revive discussion upon questions which have already been once decided, such reflections are uncourteous to the house—

I submit that what the hon. member is doing, as indicated by the hon. member for Yukon—I suppose the house should be thankful to the hon. member for Yukon for having indicated it, because the hon. member for Northwest Territories did not—is that he is trying to revive, as I said at the commencement of my point of order—

**Mr. Rheaume:** Mr. Speaker, on a point of privilege—

**Mr. Macdonald:** Mr. Speaker—

**Mr. Speaker:** Order. May I suggest that we hear the hon. member for Rosedale (Mr. Macdonald) out and then come right back. The question is sufficiently difficult without our getting involved in who has the right to speak first. I should like to hear the hon. member finish his point of order.

**Mr. Macdonald:** I was saying, Mr. Speaker, that the hon. member had indicated, or had indicated through the hon. member for Yukon, his intention to discuss at this particular time a subject matter which was discussed at the same stage of the proceedings in this house two weeks ago. That matter was very fully discussed at that time. If the hon. member was then in a position to speak on it he should have done so, but the debate on that matter was concluded. Hon. members will recall that this house had a very full discussion of an entirely different grievance at the same time last week. In other words, the subject matter of the second half of the hon. member's so-called grievance was fully considered by the house, and debate on it concluded. Debate on another subject was then picked up. If I may refer again to citation 234(2) of Beauchesne, accordingly that subject matter has been concluded and the hon. member cannot now make reference to it.

**Mr. Baldwin:** Mr. Speaker, if I may just reply to the hon. member for Rosedale, I think he has attempted to raise two issues which can be met very simply. Citation 149(d) states:

> —anticipate discussion on a motion set down for future consideration;—

As I understand the hon. member for Northwest Territories (Mr. Rheaume) he is not trying to anticipate discussion. He is not going into the meat of this particular bill; he is simply stating that his grievance is that the government, through its mishandling of the machinery of parliament, has not yet put this motion down so that it can be discussed and proceeded with. He is not trying to anticipate discussion of the motion itself; I think that is quite plain. I do not think the hon. member for Northwest Territories is bound by what the hon. member for Yukon has said, although his efforts were very well directed.

With regard to citation 148, that it is not possible to revive a debate already concluded, a grievance is not a debate which can be concluded. There was a debate on an issue raised at that particular time; but on all these matters I submit with deference that the debate is never concluded. What was brought up by the hon. member for Yukon on the other occasion during the course of a grievance which had been introduced was not a matter which of its nature is a motion debate on which can be concluded. Consequently, this would not prevent the hon. member for Northwest Territories, even if he wanted to, which he does not, from discussing the same subject.

**Mr. Macdonald:** If I may reply to that, Mr. Speaker—

**Some hon. Members:** Oh, oh.

**Mr. Macdonald:** I believe I am entitled, under the rules on a point of order, to reply to remarks made about a matter upon which I have already spoken.

*Failure to Proceed with Legislation*

**Mr. Gregoire:** On a question of privilege; on a question affecting the privileges of all members—

**Some hon. Members:** Order.

**Mr. Kindt:** Is there going to be any order in this house or do we need to have a new Speaker?

**Some hon. Members:** Shame.

**Mr. Pickersgill:** Withdraw.

**Mr. Speaker:** Order. On the question of whether the debate has been concluded or not I, also, have read citation 234 and, as is so often possible, not one interpretation but two or three may be taken from it. There is one sentence which has not been referred to and it appears in the middle of the second paragraph of the citation:

> Once debate is concluded on one matter and another intervenes, members cannot again discuss the former.

No decision was reached two weeks ago, if I recall correctly, on the matter raised at that time by the hon. member for Yukon (Mr. Nielsen). There was no vote taken as far as I remember. There was not even a motion proposed. So the matter has not been concluded, in that sense. At the same time, if one looks at the end of paragraph 1 of citation 234, he will find these words:

> When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance; provided that the discussion shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.

This would seem to bear out the view of the Secretary of State. On the other hand, if the debate was in order two weeks ago—and the debate did take place—it did deal with, not one matter placed on the order paper but perhaps a thousand, if one can refer to questions and things of that kind. Therefore, in the circumstances I feel the benefit of the doubt, at least, should be given to the hon. member for the Northwest Territories.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I rise on a question of privilege.

I wish to call your attention on the fact that a few moments ago the hon. member for the Northwest Territories (Mr. Rheaume) also rose on a question of privilege and was not given the opportunity to speak. I myself have risen on a question of privilege at that moment and I was not allowed to speak.

[Mr. Macdonald.]

Now, section 17 of standing orders reads as follows:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

That procedure was ignored twice this evening.

[*Text*]

**Mr. Rheaume:** If I may continue before there are any further interruptions from the hon. member for Rosedale (Mr. Macdonald), let me say I can assure him that as long as patronage continues I shall raise the subject on every occasion.

I wish to speak now of the serious situation whereby the Northwest Territories people are deprived of their elected territorial councillors, a situation which is all the more serious when we consider that control will now pass almost totally and completely into the hands of the federal government over even territorial matters. It means we may see a new era of patronage and a new era of carte blanche on the part of this government which has taken the position several times in this house that they know what is best for the people. I need only give as an example the statement which the minister of northern affairs (Mr. Laing) made to the effect that the Eskimo people of northern Quebec would be told what is going to happen to them, that they would not be consulted because they are, after all, primitive people.

As of Friday, when there will be no elected councillors, there will be no one in the territories who can fight for them to remedy those grievances which would normally be of a peculiarly territorial nature. There will be no councillors answerable to the people of the north, and this is all the more serious in view of the denial of information which I have experienced when attempting to find out what is going on in the Canadian north. On one hand we have a government which fails to take action under the existing legislation to ensure that there is representative government in the territories, and on the other hand they fail to bring in new legislation which would provide for it. Then they go on to deny information to the existing representative of the Northwest Territories.

I want to talk about patronage in the Northwest Territories because it ties in with my statement earlier about the federal government assuming complete power there—that we need protection from this new spirit in the north, as the hon. Minister of National Health and Welfare termed it, though I would say that the new spirit is one of blatant patronage. I would refer to an article in the Edmonton *Journal* naming the mayor of Yellowknife as the proposed new commissioner of the Mackenzie territory when the

Secretary of State thinks fit to bring the legislation forward. This person has been an executive officer of the Liberal party in the Northwest Territories. Speculation is rife in the Canadian north that he actually wrote the article for the Edmonton *Journal*. It is common knowledge in the Northwest Territories that this person is in line for the appointment.

**Mr. Speaker:** I do not think this particular reference is really on the point.

**Mr. Rheaume:** My point is this, that the federal government, since there are no elected councillors, or will be none after Friday, have complete control over the affairs of the Northwest Territories and speculation is rife that an executive officer of the Liberal party will be named to that position which will give him peculiar and total power over the residents of the north, without any elected people being there to protect them. When I asked the minister of northern affairs if any commitment had been made in this regard he said, no. But a few days ago this officer was approached to represent the Northwest Territories at the centennial conference at the same time as the already appointed commissioner of the Yukon territory was brought in to represent that area; so here we have these two people representing the Yukon and the Northwest Territories respectively. So it is a legitimate assumption for me and others in the north to believe there is a commitment in this respect. The minister of northern affairs, discussing this, said they were prepared to take recommendations from any source as to the new resident commissioner of the Northwest Territories. I want to know whether he is prepared to ask me for suggestions and to honestly and seriously consider any suggestions I have to make, since after Friday I will be the only elected person from the whole of the Canadian Northwest Territories.

I want to refer briefly to the consultants list, the list that everyone denies, the list that I, among others, have seen, because it, too, appears to be a serious matter in relation to the Canadian north. The list as I read it shows the defeated Liberal candidate in the last election of the Northwest Territories, as a consultant.

**Mr. Denis:** I have yours here. I have your list. You did not complain.

**An hon. Member:** Table it.

**Mr. Rheaume:** The same person who is listed as a consultant was appointed by order in council as a paid consultant to the centennial commission. So, in effect, the defeated candidate is not only on the list the Postmaster General has, but is, in effect, a civil servant, thereby dispensing patronage in the north. This hardly surprises any of us who read the roster of those who were invited to Ottawa recently from all over Canada, because it consisted largely of defeated candidates and their wives in the instances where those defeated candidates had gone into some kind of honest employment.

I want to refer now to something which could be described as an abuse of power. I refer to the recent trip taken by the minister of northern affairs through the Yukon and the Northwest Territories, a trip which cost the taxpayers $16,402, a heroic voyage overland to the Arctic with nothing to protect him but a DC-3 and 16 or 17 staff. I asked in my question which I put on the order paper as to the functions of the people who went along. I asked this question in all seriousness because I have seen many ministerial visits to the Canadian north during the time I have lived there. I can say this is the first time a minister of the crown travelling in an aircraft at the expense of the taxpayers has made a point of holding executive meetings of the Liberal party of the Northwest Territories which were planned and advertised in advance of his trip. I was in the Canadian Northwest Territories when we had visits from former ministers such as the hon. member for Qu'Appelle (Mr. Hamilton) and, more recently, the hon. member for Brandon-Souris (Mr. Dinsdale) and I can assure you, Mr. Speaker, that at no time did these ministers ever hold Liberal executive meetings.

**Some hon. Members:** Oh.

**Mr. Rheaume:** I should have said "Conservative". Hon. members opposite can laugh but that does not change the fact that the major purpose of the minister's recent trip was to hold organization meetings of the Liberal party at the taxpayers expense. At any rate, Mr. Speaker, I mentioned earlier that we get frivolous answers to our questions and that they deny and withhold information. Let me give an example from the same question relating to this epic voyage. I asked what was the function of the staff members that the minister had taken along with him. This is what I got by way of an answer: "Mr. Cote, deputy minister; Mr. Sivertz, commissioner of the Northwest Territories".

It was obvious from my question that I was asking what function these staff officers performed on that journey. It was a very legitimate question in view of the extensive political activity that the minister and his assistant engaged in. I certainly knew that Mr. Cote was the deputy minister. I simply say that if ministers of the crown wish us to continue to place extensive questions on the order

paper because they choose to give us frivolous answers we can do that, but on the other hand we do not want to be lectured by the Secretary of State (Mr. Pickersgill) that we are putting too many questions on the order paper. At this point I should like to say—

**Mr. Pickersgill:** Read it. Gene Rheaume, Northwest Territories; Erik Nielsen, Yukon.

**Mr. Rheaume:** —that the Minister of Northern Affairs and National Resources (Mr. Laing) has issued instructions to his staff to give as little information as possible, to dry up the sources of information ordinarily available to the elected representatives of the people. The people in charge of the particular programs we are seeking to find out about are not the ones who are answering the questions we ask in the house.

I want to refer to another example briefly. I put question No. 1,340 on the order paper as you had asked us to do, Mr. Speaker. It was a five part question seeking detailed information about the school and hostel program in the Northwest Territories. The first question was:

> On what basis does the Department of Northern Affairs and National Resources plan for the establishment of schools in various settlements of the Northwest Territories?

This was the answer:

> On the basis of school age population.

This is a completely frivolous answer, Mr. Speaker. It is no more valid than if we had asked why a hospital was built somewhere and the answer given was "to treat sick people". If the minister chooses to have his staff dry up our sources of information, then the only thing we can do is to continue to raise these grievances.

I do not intend to bring the matter before the house tonight, but I have good reason to believe it is not only the Minister of Northern Affairs and National Resources who has taken this position. Another example is found in questions I have asked the Minister of National Health and Welfare. I put a motion on the order paper in June for the production of the treaty signed with the Indian people and I have not yet received it.

I have said that the Prime Minister must take the bulk of the responsibility for the situation as it now exists, and that the house leader on the government side shares an almost equal responsibility. Since this matter was raised two weeks ago, as the hon. member for Rosedale rightly points out, nothing has been done about it. We have received no apology from the government side. So far as patronage is concerned, I can only assume that the Prime Minister approves and supports the kind of thing his colleagues in the cabinet are doing. This is the Prime Minister who promised when he took office he would excite the daring and give new promise to the timid. To date the most daring and edifying act of his cabinet has been to fire a widow from a post office in Enterprise, Ontario.

If the Prime Minister is unable to control the blatant patronage on the part of his ministers, I can only assume that with people all over Canada we will watch parliament disintegrate through the drying up of information to opposition members and that the man whom we were told could straighten out the United Nations cannot even run his own cabinet.

[*Translation*]

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, first of all, I must reply to the charge laid by the hon. member for the Northwest Territories (Mr. Rheaume) with regard to those famous lists—

[*Text*]

—the famous consultant list they talk about so much. I happen to have in my hand the Tory list.

**Mr. Fisher:** Table it.

**Mr. Denis:** I have no objection.

**Mr. Pickersgill:** Read it.

**Mr. Denis:** I am going to read it first and I am ready to table it.

**Mr. Rheaume:** On a point of order—

**Mr. Denis:** I am ready to table it.

**Mr. Rheaume:** On a point of order, I must insist that the Postmaster General table this and any other lists he may have in his possession, if he intends to enter into debate on the very matter he is now discussing.

**Mr. Nielsen:** On a point of order, Mr. Speaker—

**An hon. Member:** You do not like it.

**Mr. Pickersgill:** You can't take it.

**Mr. Denis:** Are you scared?

**Mr. Speaker:** Order. The hon. member for the Yukon on a point of order.

**Mr. Nielsen:** My point of order is this. When we attempted to discuss the content of the Liberal patronage list of the Postmaster General we were prevented from doing so. We tried to have it tabled and we were prevented from doing so. I have heard the Secretary of State give instructions to the Postmaster General to read this list. That is what he is trying to do. Surely if the rule applies to this side it should also apply to that side.

**Mr. Denis:** If my hon. friends are as pure as they think they are they will not object if I talk about their own list. This list is even worse than the Liberal list—

**Some hon. Members:** Oh, oh.

**Mr. Denis:** —because there are more Conservative members on it.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, on a point of order.

[*Text*]

**Mr. Denis:** Northwest Territories, consultant, Eugene Rheaume.

**Mr. Speaker:** Order. The hon. member for Lapointe on a point of order.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on a point of order. I think that, if the Postmaster General (Mr. Denis) wants to talk to this house about a schedule or list, it would be normal to table it.

**Mr. Deschatelets:** After reading it.

**Mr. Gregoire:** And, under the circumstances, I believe that it would also be proper —as the Postmaster General would be asked to table his list or schedule too—to ask the whip of the Conservative party, who also has a list, to table the latter, so that the hon. members may see the two lists. Mr. Speaker, I think that this would be the normal procedure, and would ask you for a ruling on the matter.

[*Text*]

**Mr. Denis:** Constituency, Northwest Territories; consultant, Eugene Rheaume.

**Mr. Nielsen:** Mr. Speaker, on a point of order—

**Some hon. Members:** Sit down.

**Mr. Speaker:** Order. I wish hon. members would assist the Chair. If they have points of order, please make them short and to the point so that the Chair can follow these various points.

**Mr. Nielsen:** I rise, Mr. Speaker, on a point of order.

**Some hon. Members:** You are next.

**Mr. Nielsen:** I rise on a point of order.

**An hon. Member:** Don't you like your name?

**Mr. MacInnis:** On a question of privilege, Mr. Speaker—

**Mr. Speaker:** Order. I have no difficulty in deciding between two Conservative members who both want to speak. I will listen to the first one.

**Mr. MacInnis:** On a question of privilege, Mr. Speaker—

**Mr. Speaker:** If the hon. member has a question of privilege, please state it and state it quickly.

**Mr. MacInnis:** My question of privilege is that as a member of the house I am entitled to hear what is being said and if there is no order on the other side of the house I am denied that privilege by those on that side of the house.

**Mr. Nielsen:** I raised a point of order, Mr. Speaker—

**An hon. Member:** Again?

**Another hon. Member:** You are next.

**Mr. Nielsen:** —which Your Honour inadvertently did not decide. The Postmaster General has risen to his feet and has done precisely that which I had asked Your Honour to prevent as a matter of order. It seems to me I am entitled to have my point of order decided before—

**An hon. Member:** Before he reaches you.

**Mr. Nielsen:** —the Postmaster General rides roughshod over the rules of the house on the advice of the Secretary of State.

**Mr. Speaker:** Order. The hon. member for the Yukon knows perfectly well—at least, I hope he does—that he has given me the conclusion without giving me the preamble. It is rather difficult for me to decide whether or not the Postmaster General is in order until I have heard at least ten words. So far he has not been able to say more than ten words.

**Mr. Nielsen:** He has already read from the list.

**Some hon. Members:** Sit down.

**Mr. Denis:** Northwest Territories, consultant, Eugene Rheaume, care of Progressive Conservative campaign headquarters, box 667, Yellowknife.

**Mr. Nielsen:** On a point of order, Mr. Speaker, I have asked Your Honour to rule according to the rules of the house that when a minister on the treasury benches produces a document he cannot read from it without tabling it.

**Mr. Denis:** I am ready to produce the document. Northwest Territories—

**Mr. Speaker:** Order. Will the minister take his seat. Once more the hon. member has jumped to a conclusion. I am not entitled to anticipate any more than the hon. member for the Yukon is entitled to anticipate, and if we were to hear the Postmaster General for

another minute or two I feel reasonably sure he would be about ready to table the document.

**Mr. Denis:** I am ready. The next is constituency, Yukon; Erik Nielsen, M.P., care of Progressive Conservative Headquarters, Post Office Box 778, Whitehorse, Yukon; consultant.

[*Translation*]

**Some hon. Members:** Continue.

**Mr. Gregoire:** In the constituency of Lapointe, who is the consultant?

[*Text*]

**Mr. Denis:** This page comes from the Tory list. I do not mean it is wrong. I do not mean that they are doing business with that. I have not got all these details in mind, personally. There are the names of members of parliament and defeated candidates, but you never put Conservative campaign headquarters or Liberal campaign headquarters. The names that are on the list could be obtained from a returning officer any time.

**An hon. Member:** Or from Santa Claus.

[*Translation*]

**Another hon. Member:** Say it in French.

**Mr. Denis:** The only thing—

[*Text*]

Any time you want, all you have to do is put one name after the other. The only purpose of the list is to put "My dear Mr. Jones", instead of saying, dear Mr. So and So. It is a list for secretaries in order to prepare letters, and to speed up matters for the ministers to sign.

**An hon. Member:** Christmas cards.

[*Translation*]

**Mr. Denis:** It would be improper, for instance, to address the Leader of the Opposition this way: "My dear John". It might be improper also to refer to the hon. member for Joliette-L'Assomption-Montcalm by saying "Honourable Sir".

[*Text*]

**Mr. Pigeon:** Mr. Speaker, I have a point of order.

**Mr. Speaker:** The hon. member for Winnipeg North Centre.

**Mr. Knowles:** I rise on a point of order. Despite the levity that seems to prevail here this evening, I do this quite seriously. It seems to me, Mr. Speaker, that it is now being demonstrated it is important to pay attention to the rules and practices of the house. I think the point of order that was raised earlier this evening should have been settled more clearly. The hon. member for Northwest Territories should have been given the opportunity to speak, as he was, but he should have been called upon to be more specific as to the grievance he was raising. I sat here saying nothing but trying to give the hon. member the benefit of the doubt. At one time, I thought he was talking about unsatisfactory answers to questions on the order paper. Then, I decided he was talking about a grievance that the people of the Northwest Territories have generally. Then, he got over into the question of a patronage list, or whatever you call it, that the Postmaster General has.

Everyone knows that when a member does this, talks on two, three or four different subjects, it messes up this whole grievance period very seriously. Now, the Postmaster General has been given the floor, and quite properly. What is he talking about? Is he talking about unsatisfactory answers to questions on the order paper? Is he talking about the general grievance of the Northwest Territories and the fact that Bills Nos. C-83 and C-84 have not been proceeded with; or is he talking about the Postmaster General's list of consultants? This was the subject of a point of privilege on two or three other occasions, in spite of Your Honour's ruling at one time that there was no point of privilege. He proceeded, and I did not raise a point of order as long as he was talking merely about the alleged consultants, Liberal or Tory, in the Northwest Territories, because that seemed to be related to the Northwest Territories. Now, however, he seems to be naming the consultants, Liberal or Tory, in other parts of the country.

**Mr. Chevrier:** No Liberals.

**Mr. Knowles:** The point is that we are fast getting into a debate on the list of consultants, Liberal or Tory, and that is not the issue the hon. member for Northwest Territories raised. The issue raised was the Northwest Territories, the fact that Bills Nos. C-83 and C-84 have not been proceeded with, and the resultant lack of representation for that area.

I think the confusion we are in now arises because the hon. member was not called upon to stick to a specific subject, name it and keep to it. The Liberal benches applaud, but they are compounding the issue now by bringing out the patronage list. I think you are called upon, Mr. Speaker, and it is a very difficult decision, to tell the house what it was the hon. member for the Northwest Territories really raised. When you have decided that, then if there are other members who wish to speak on that subject, they have a right to the floor next. If anyone proposes to change the

subject, he must wait until all who wish to do so have spoken on the grievance that was raised.

Really, I have given Your Honour a tall order, to try to define what it was specifically the hon. member for the Northwest Territories raised. My point in raising it is to try to emphasize that we should, in this grievance period, follow the rules more strictly.

**Mr. Pickersgill:** I should like to say a word on this point of order the hon. member for Winnipeg North Centre has raised. In doing so, I may say that I feel the whole house should be grateful to him for bringing us back to a sense of order and reality in this house. It is extremely important, it seems to me, if we are to conduct the business of this country as the people expect us to conduct it.

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** On this occasion, I would urge Your Honour to consider very carefully what the hon. member for Winnipeg North Centre has said. For the benefit of other hon. members who may wish to speak on the grievance, it is important that Your Honour should define the grievance so that we will know what it is that is before us. If the grievance is the failure of the government to bring forward legislation concerning the Northwest Territories, then since a charge was made against me I am entitled to reply to it. If that was just a little buckshot and the grievance was something else, then of course I am not entitled to rebuttal. I am entitled to know, as every hon. member is entitled to know, what we are debating and have it properly and narrowly defined under the rules. I think we all owe a debt of gratitude to the hon. member for Winnipeg North Centre.

**Mr. Webb:** Mr. Speaker—

**Mr. Speaker:** Is the hon. member for Hastings-Frontenac rising on the same subject?

**Mr. Webb:** The same subject.

**Mr. Pickersgill:** What is the subject?

**Mr. Webb:** Patronage, sir.

**Mr. Speaker:** Order; has the hon. member for Burnaby-Coquitlam some point of order?

**Mr. Douglas:** I should like to know just what the grievance is, so that we can proceed. If the grievance is the priority of the legislation, which is what I understood the hon. member for Northwest Territories dealt with, I should like to follow it. I am not aware that his grievance was patronage, and if it is not patronage, then the hon. member who has just taken the floor, Mr. Speaker, I would suggest is not following in sequence.

**Mr. Speaker:** Order, please; first of all, I want to tell the hon. member for Winnipeg North Centre that I agree with his remarks. This evening we were perhaps a little lenient. We were dealing with a new member attempting to raise his first point of grievance. It seemed to me that he should be given as much consideration as possible.

I did endeavour, however, throughout his talk to try to focus on the main grievance. I was unable to come to any definite conclusion as to what it was, but I do know that it was not the subject of patronage. Furthermore, as the hon. member for the Northwest Territories spoke it seemed to me that he was directing his attention more to the question of delay in bringing forward legislation concerning the Northwest Territories. This, of course, is very close to the borderline.

I think we have spent enough time on the grievance raised by the hon. member for Northwest Territories. I do think we should get on to a different sort of grievance.

**Mr. Webb:** I rise on a question of privilege, Mr. Speaker. I should like to speak. Here, we have a young widow, the mother of five children and their livelihood is being taken away from them by this government. I think it is important, sir, that we should speak on this subject tonight. I did not intend to speak on this subject tonight until an editorial was brought to my attention in which the Postmaster General stated—

**Mr. Speaker:** Order; the hon. member raised a point of privilege, but he is now outlining a grievance. In the circumstances, having already recognized the hon. member for Burnaby-Coquitlam, I think the hon. member for Burnaby-Coquitlam has the floor.

**Mr. Webb:** My name was mentioned by the Postmaster General in this editorial. This is my point of privilege, and I should like to answer it.

**Mr. Speaker:** Do I understand the hon. member is now speaking to a point of privilege?

**Mr. Webb:** Yes, Your Honour.

**Mr. Fisher:** What is it?

**Mr. Webb:** My name is mentioned in an editorial in today's newspaper referred to by the Postmaster General. This editorial states, in effect, that the Postmaster General stated to the press: Why did not Rodney Webb, Hastings-Frontenac, come to me personally with a protest over the change instead of writing a letter to an official of my department? I say to you, sir, that last Thursday the Postmaster General came across the house, and followed me out into the lobby, and suggested I forget this whole matter.

*Failure to Proceed with Legislation*

**Mr. Denis:** On a point of privilege—

**Mr. Webb:** At which time, sir—

**Mr. Speaker:** Order. The Postmaster General on a point of privilege.

[*Translation*]

**Mr. Denis:** On a question of privilege, Mr. Speaker.

Not only do I deny categorically the assertion of the hon. member for Hastings-Frontenac (Mr. Webb), but it is just the opposite. He is the one who said to me: "If you settle this case, I have five more, and I will let them go".

[*Text*]

**Mr. Webb:** At which time I said to the Postmaster General that I had six other cases—

**Mr. Chevrier:** Says I to him, says he to me.

**Mr. Speaker:** There is no question of privilege. This is a dispute as to facts, and under the rules we must take the statement of the Postmaster General. The Postmaster General has denied the fact as alleged by the hon. member. The hon. member has another recourse under our standing orders, but until he takes that recourse I must take the statement of the Postmaster General.

**Mr. Webb:** On a point of privilege—

**Mr. Diefenbaker:** Mr. Speaker, I would be the last to interrupt these proceedings this evening, and I have said nothing on the matters that have been discussed but I point out to you, sir, that a ruling just made by you denies equality of members in this house. A statement was made by the hon. member for Hastings-Frontenac (Mr. Webb) that the Postmaster General had met him, called him outside the house—

**An hon. Member:** The Postmaster General denied that.

**Mr. Diefenbaker:** Surely Your Honour does not say the Postmaster General, because he happens to be a minister, must have his word accepted as against another hon. member? I think Your Honour might well clarify what you had in mind, because to make such a decision would not be accepted by any member of the house, that a minister's denials shall be accepted as against a private member's affirmation of fact.

[*Translation*]

**Mr. Denis:** Mr. Speaker, an additional proof of my statement is that nothing has been changed concerning the appointment of the postmistress in that locality.

Now, contrary to what the hon. member for Hastings-Frontenac said, not only did I make no proposal to him but the fact that there has been no change proves that what I am saying is true.

[*Text*]

**Mr. Speaker:** Order, please. I am sure the right hon. Leader of the Opposition will understand that in the confusion of the moment it is not always possible to be as clear headed as one would like, but referring to citation 113 in Beauchesne's fourth edition I think we have the case covered in these words:

> But a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege. An attack in a newspaper article is not a breach of privilege, unless it comes within the definition of privileges above given, and then a member is bound to lay on the table the newspaper in which the article complained of appears.

If I may rest the case there, I suggest if we could get on to another grievance it certainly would be helpful.

**Mr. MacInnis:** On that same question of privilege, may I draw Your Honour's attention to the same question that came up—

**Mr. Speaker:** Order. I have already decided there is no question of privilege. So, if there is another grievance I would be glad to hear it.

## LOBBYING—ALLEGED PRIVILEGED POSITION OF CERTAIN CORPORATIONS

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, in the few minutes left I will raise a very simple grievance. It relates to the situation that exists in the other place in so far as the holding of directorships, being consultants, or being held on retainer by certain companies, particularly certain finance companies, are concerned. My grievance is that we have at present a number of items on the order paper that have been referred to committee.

We also know from past experience one of the hon. gentlemen in the other place has tried to introduce legislation that would have something to do with making interest rates more clear and with setting a ceiling on them. I think it is unfair, unsound and undemocratic that people should have the opportunity to sit in judgment, and to scrutinize such legislation before it can become law, at the same time that they are either directors, presidents, consultants or held on retainers by some of the very companies going to be affected by such legislation.

My grievance is as simple as this. I want to draw it to the government's attention, in particular to the attention of the Prime Minister, because it is time we should consider this point very seriously, that implicitly built

into our parliamentary structure at the present time is a form of special privilege or lobbying that is to the advantage of certain corporate organizations that are able to retain members from the other place on their boards of directors or as legal retainers.

I suggest this form of lobbying should be brought out much more into the open, and the government and Prime Minister should consider some kind of legislation to put very strict limits on it. This point deserves real consideration, particularly because the house is now concerned with legislation relating to consumers finance.

I would appeal to backbenchers on the government side who have taken an interest in this, and who have also given some indication that they have liaison with their cabinet and Prime Minister, to consider how far this kind of legislation is going to get when you have the presidents of finance companies in the Senate and you have some senators who are under retainer from finance companies. I leave the grievance to sit in the minds of my Liberal friends, and in the Prime Minister's mind.

**Mr. Speaker:** It being ten o'clock p.m. it is my duty, pursuant to standing order 56 (4) (f) to interrupt the proceedings forthwith and put the question on the motion before the house.

Is it the pleasure of the house to adopt the motion?

**Some hon. Members:** On division.

Motion (Mr. Gordon) 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 AGRICULTURE

1. Departmental administration, $1,057,600.

POST OFFICE DEPARTMENT

Departmental administration, including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,083.500.

DEPARTMENT OF FINANCE

Departmental administration, $2,068,800.

Proceedings reported.

*Business of the House*

## BUSINESS OF THE HOUSE

**Mr. Churchill:** Mr. Speaker, may I ask the house leader to outline the business proposed for Wednesday, Thursday and Friday?

**Mr. Pickersgill:** Yes, sir, I would be glad to do that. Tomorrow we will go into committee on the legislation respecting the surcharge order. When that has been completed we will continue with the committee stage of the Income Tax Act, and when that has been completed there is an understanding among all parties in the house, I believe, that we would take the motion respecting consumer credit in the name of my hon. friend the Solicitor General, and that there would only be very brief speeches from each quarter of the house.

I hope there will be time for further business this week and there is no business, as I have said so many times this session, more urgent than the legislation respecting the Northwest Territories, which I have sought to bring before the house ever since September 30.

On Thursday evening we will take the estimates of the Department of Northern Affairs and National Resources, and there will be another department available if that department should be completed. On Friday evening we will take the estimates of the Department of Labour, and there will be another department available if that should be completed.

**Mr. Pigeon:** Why do we not close the public works estimates?

**Mr. Pickersgill:** I think the hon. gentleman has asked a very proper question. There was an understanding, or at least a declaration by the government at the time the house was good enough to extend the hours, that we would take a new department on each evening so that there would be an opportunity for every department to have some review before the end of the session, and so that hon. members would have an opportunity to bring up points with respect to every department of government. That is the reason we are following the course we are.

It being two minutes after ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Wednesday, November 6, 1963**

The house met at 2.30 p.m.

## HOUSE OF COMMONS

RAYMOND RODGERS—ALLEGED DENIAL OF PRESS GALLERY PRIVILEGES

**Mr. H. A. Olson (Medicine Hat):** I wish to raise a question of privilege arising out of the fact that Mr. Raymond Rodgers, correspondent for the St. Catharines *Standard,* has been expelled from the press gallery. I should like to attempt to establish a prima facie case of privilege based on one reason or a combination of several reasons, following which, if permission is granted, I am prepared to move a substantive motion which would take care of the matter.

First I should like to quote to Your Honour from Beauchesne, citation 103, paragraph 2 which says "the house has always asserted the right to provide for the constitution of its own body, the right to regulate its own proceedings, and the right to enforce its privileges." Again Beauchesne, citation 107, reads as follows:

> Whatever matter arises concerning either house of parliament ought to be discussed and adjudged in that house to which it relates, and not elsewhere.

I contend that matters affecting the internal economy of the house are questions of privilege. There is, of course, public expenditure for the press gallery of the house, payment for which is provided through the internal economy commission. The amount is something like $100,000 annually.

The second point is that an exception has been made respecting the administration of the galleries, including both the press gallery and the diplomatic gallery. This exception has not been concurred in by the house.

The third point is that I think you will agree a legitimate breach of privilege can be established in the matter of time, that is to say that the matter of time is urgent.

Motions affecting the internal economy of the house, as I pointed out, are questions of privilege affecting the privileges of all members collectively and may always be considered in the house without the notice necessary in the case of motions generally. This is pointed out in standing order 17, and Bourinot's Parliamentary Procedure and Practice on pages 375 and 376, where a case is cited concerning the translation of the official debates which is reported in the debates of 1876.

The present matter relates to the principle by which persons are accredited to the press gallery, and the application of that principle to the credentials of a particular correspondent. The house in the past has delegated to the Speaker the enunciation of a principle and the application of that principle to particular cases. Over the years since that delegation of authority, however, we have perhaps lost sight of the fact that what is involved is the fundamental privilege of each and every member of the house to object to strangers in the galleries, according to standing order 13. Therefore each and every member is responsible for and must consent to any rule made by way of an exception to that privilege.

As well, we are also responsible for the application of that rule in this particular case. Each member's responsibility is even heavier in respect of the exception that has been made because due to the lack of space and facilities for the press gallery the exception is a discriminatory one that admits certain correspondents and excludes others. As you well know, Mr. Speaker, the present difficulty has continued over several sessions and continues each sitting day of the house, so that the question of privilege is one that renews itself with each sitting and is immediately before the house on the occasion of each sitting.

On October 29 last, Mr. Speaker, you advised the house that the question of principle and the question of the individual case were of deep concern to you but that due to the pressure of other urgent matters it was physically impossible for you to determine the matter shortly. There can be no doubt that the effect of the unavoidable delay in the particular instance of this individual has had the result of deciding the matter during the interim before a determination of the principle, in favour of one of the parties against the other. This decision, founded only in delay, may ultimately be the correct one according to the justice of the case, or it may not be.

Therefore, Mr. Speaker, if I am granted a prima facie case of privilege I am prepared to move, seconded by the hon. member for Lincoln (Mr. McNulty):

*Denial of Press Gallery Privileges*

That the Sergeant-at-Arms, pursuant to standing order 88, be instructed to grant *pro tem* a card admitting Raymond Rodgers to the press galleries of this house.

I have a large number of other citations with me this afternoon which I could quote to you, Mr. Speaker, but I do not particularly wish to take up the time of the house. However, in my view these precedents will establish that there is an injustice by reason of delay. There has been a transfer of the administrative responsibility of this house to a body outside of the house who are not, in turn, responsible to us. Therefore, on this basis, I would implore that you grant a prima facie case of privilege so that I can move a substantive motion to clear up the matter.

**Mr. Speaker:** Are there any other hon. members who would like to speak on this question?

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, this particular issue has concerned a number of members in the house, particularly the hon. member for Lincoln (Mr. McNulty), for many months. It is quite apparent that the person involved, Mr. Rodgers, is under considerable difficulty in carrying out the duties that he has as a result of his relationship as an accredited correspondent of a newspaper. We feel that the delay that has taken place has been unfair to him, and it has been unfair to the constituency in which his paper is printed. We think it is unfair to the house. Speaking not only for myself as an individual member but for the members of our party, we want to support the plea that has been made that this be considered a proven case of privilege. We would support the idea that the Sergeant-at-Arms be instructed to proceed as suggested.

I think hon. members are aware that the facilities that are provided to the members of the press gallery are supported by a vote of this house. I think hon. members are aware that for some years the internal administration of those facilities has been carried out under the constitution of the press gallery association.

**Hon. J. W. Pickersgill (Secretary of State):** I wonder if the hon. gentleman would permit me to raise a point of order. My point of order is very brief, and it is this. I believe it is usual in such cases, before debate is embarked upon on one of these motions, for Your Honour to decide whether there is a prima facie case of privilege. Without seeking to restrict anyone's rights, it seems to me that Your Honour should make that decision; because the hon. member for Port Arthur, if I apprehend his remarks correctly and I listened carefully, is discussing the motion. Before we embark upon a debate on the motion, we should know if there is a question of privilege. I should respectfully suggest also that if you have any doubt about it, as usual you take it under advisement for another day very soon. Of course I recognize there should not be any delay.

**Mr. Speaker:** The point raised by the Secretary of State has a great deal of merit. On the other hand, the question to be decided is a very important and delicate one. I would prefer, before trying to give a right decision on the point of privilege, to hear any hon. member who wished to say anything.

**Mr. Fisher:** I think I am speaking in support of the argument that this is a matter of privilege. You used the word "delicate" to describe the situation. I think all hon. members realize that the situation is delicate. It really relates to the fact that we are aware that our proceedings in this house do not gain great significance in the country as a whole until they are reported abroad, and therefore we move with a great deal of delicacy in so far as those people are concerned who are reporting upon this assembly.

**Mr. Speaker:** Order. The use of the word "delicate" was not intended to convey the meaning being read into it. When you are discussing the personal rights of an individual, that is always a very delicate operation or matter to decide. I am not influenced whatever by whether or not the members of the press gallery like my decision.

**Mr. Fisher:** I am delighted to have that assurance, Mr. Speaker. Let us come back to the question of the privileges of the house, which it seems to me have been broken or impinged upon by the action of the press gallery association in denying the use of facilities provided by this house, through a vote of the house, to someone who is an accredited newspaperman. It seems to me this is a breach of the privileges of all of us, and I beg you to allow the point and let us get on with getting the matter cleared up.

I will not argue now as to whether the move to have the Sergeant-at-Arms enforce the use of the facilities in Mr. Rodger's favour is good, but I do feel we cannot get anywhere until we have a motion, and to have a motion we required your approval of it and a proven case of privilege.

**Mr. Jim McNulty (Lincoln):** Mr. Speaker, I support this question of privilege quite strongly. In Lincoln we have the St. Catharines *Standard* with a daily circulation of some 30,000, serving an area with a population of around 130,000. Not only is there great personal inconvenience for the *Standard* representative but there is also greater inconvenience to the people of my constituency,

and I respectfully feel Your Honour should approve of the procedure suggested.

**Mr. Speaker:** Well, recent experience may have shown it is somewhat dangerous to allow too much discussion on a point of privilege, because privilege is an extraordinary proceeding and should be stated as briefly as possible. Nevertheless, I think the discussion this afternoon illustrates the fact that this is more in the nature of a complaint than a privilege, but before reaching that conclusion may I be permitted to call the attention of hon. members to citation 104(5) in Beauchesne:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity. If he is not so satisfied he may allow the member to make a statement with a view to ascertaining whether or not a prima facie case can be made out.

Of course that was the reason for listening carefully to the hon. member for Medicine Hat. Further, citation 113 in Beauchesne reads in part:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or to apply a remedy.

Of course it is my duty to arrive at a conclusion as to whether a prima facie case of breach of privilege of the house has been made out. Also, a question of privilege is a question relating to the rights and privileges of the house as a whole, or of its members individually, and to the conduct and honour of such members. What is submitted to the house today seems to be more in the nature of a complaint, criticism or grievance concerning the internal economy and administration of the house, and in my opinion should be treated as other possible grievances against the internal economy and administration of the house. The rules governing the internal economy commission are set forth in detail in the House of Commons and Senate Act.

Now, inasmuch as this matter has been under consideration for many months, in fact even years, it hardly qualifies as having been raised at the earliest opportunity, but I admit that is a rather slim limb on which to rely. Some time ago I told the house that the matter was still under active consideration, and that is the position today. Therefore I regret to say that the question as raised does not satisfy me as being a prima facie case of a breach of the privilege of the house.

**Mr. Olson:** Mr. Speaker, then might I ask unanimous consent of the house to move the following motion:

> That the Sergeant-at-Arms, pursuant to standing order 88, be instructed to grant *pro tem* a card admitting Raymond Rodgers to the press galleries of this house.

**Mr. Speaker:** Does the house give unanimous consent to the moving of this motion?

**Some hon. Members:** Agreed.

**Mr. Pickersgill:** Well, Mr. Speaker, while I regret to object, this motion has taken many hon. members by surprise. There has been no notice of it. Your Honour has indicated there is not a matter of privilege involved. Therefore it seems to me that the ordinary rules with respect to motions should apply to this as to other motions.

**Mr. Peters:** There is no machinery for that.

**Mr. Fisher:** Mr. Speaker, I should like unanimous consent to move another motion, which I think may meet the unanimous wish of the house. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the question of Raymond Rodgers' right to use the facilities of the press gallery be referred for quick study, and report back to the house on its merits, by the standing committee on privileges and elections.

**Mr. Pickersgill:** Mr. Speaker, I think I can speak for all my hon. friends when I say that there would be unanimous consent to that motion.

**Mr. Speaker:** Does the house give unanimous consent to the moving of this motion?

**Some hon. Members:** Agreed.

Motion agreed to.

## PRIVILEGE

### MR. GREGOIRE—FAILURE TO TABLE LISTS OF CONSULTANTS

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a question of privilege which concerns all the members of this house, as a result of the promise made by several cabinet members.

It has to do with the famous list of consultants which was referred to yesterday, that several cabinet members agreed to have tabled in the house; I tried to have a look at that list just before we met this afternoon but it had not been tabled as yet.

That promise was first made by the Postmaster General (Mr. Denis). On page 4428 of

*Hansard* for November 5, 1963, right hand column, the Postmaster General stated:

> The famous consultant list they talk about so much. I happen to have in my hand the Tory list.

Then the hon. member for Port Arthur (Mr. Fisher) said:

> Table it.

The Postmaster General answered:

> I have no objection.

The Secretary of State (Mr. Pickersgill) then said:

> Read it.

And the Postmaster General:

> I am going to read it first and I am ready to table it.

It is a commitment.

Then the hon. member for Northwest Territories (Mr. Rheaume) said:

> On a point of order.

To this the Postmaster General replied by committing himself further:

> I am ready to table it.

Later on, on a point of order, I said:

> I think that, if the Postmaster General (Mr. Denis) wants to talk to this house about a schedule or list, it would be normal to table it.

The Minister of Public Works (Mr. Deschatelets) added:

> After reading it.

Thus the obligation to table the list after reading it.

A little later, Mr. Speaker, you said yourself:

> I am not entitled to anticipate—

You can find it on page 4429, right hand column.

> —I am not entitled to anticipate any more than the hon. member for the Yukon (Mr. Nielsen) is entitled to anticipate, and if we were to hear the Postmaster General for another minute or two I feel reasonably sure he would be about ready to table the document.

Whereupon the Postmaster General answered:

> I am ready.

Mr. Speaker, I maintain that we have there, repeatedly, undertakings on the part of the Postmaster General and even of the Minister of Public Works to table this document, but it has not been tabled as yet.

Now, I think it is also the privilege of hon. members to have tabled in the house not only the list mentioned yesterday by the Postmaster General, but also the list mentioned some time ago and which, it would seem, is in the possession of the Postmaster General, that is the one which is now in the Post Office Department. The Postmaster General himself referred to it when he stated—and that proves that it is in his possession:

> [Mr. Gregoire.]
>
> If my hon. friends are as pure as they think they are, they will not object if I talk about their own list. This list is even worse than the Liberal list—

That is a clear indication that there were two lists. That is why, Mr. Speaker, I maintain that it is the privilege of hon. members to see both lists, more especially as a motion was made for the production of one of these lists. Its existence was denied at the time but is admitted now by the Postmaster General, as can be seen on page 4429 of yesterday's *Hansard*.

That is why I ask that both lists be tabled, as was promised yesterday during the discussion.

[*Text*]

**Mr. Speaker:** Order. The question is quite easy to determine if one has regard to the authorities. The lists referred to are, I understand, private lists. If they were public lists it would be a different matter. My reason for making this statement is founded on the statement, in May, sixteenth edition, at page 461 where the following appears:

> Indeed, it is obvious that, as the house deals only with public documents in its proceedings, it could not thus incidentally require the production of papers which, if moved for separately, would be refused as beyond its jurisdiction.

I do not know of any case where private papers belonging to private members have been produced without the consent of the private member or members concerned. I understand these papers now at issue are private papers; therefore I do not believe we have the right, on a question of privilege, to ask for their production. If on the other hand the minister wishes to produce them, that is up to him; but there is no question of privilege arising as far as the Chair is concerned.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on the point of order—

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, in spite of—

[*Text*]

**Mr. Speaker:** I am sorry; there can be no discussion of the ruling.

[*Translation*]

**Mr. Denis:** Mr. Speaker, in spite of the decision—

**Mr. Gregoire:** Mr. Speaker, I rise on a question of privilege—

**Mr. Denis:** Mr. Speaker, in spite of the ruling you have just given—I realize that those two documents are private documents, but with the unanimous consent of the house I do not object to table them. I am ready to table those two documents, with the unanimous consent of the house.

[*Text*]

**Mr. Speaker:** The Postmaster General has offered to produce the two documents, which are private documents, but he cannot do so without the unanimous consent of the house. Is that agreeable to hon. members?

**Some hon. Members:** Agreed.

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, on the point of order—

[*Text*]

**Mr. Speaker:** Order, please. The question has been decided.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, on the point of order. We agree that the Postmaster General table his list, but no proof is being given to the house that we also had a list.

[*Text*]

**Mr. Speaker:** Order, please. I hope hon. members will recognize that the matter has been decided as far as the Chair is concerned, and that we shall not repeat some of the disturbances we had last night.

**Mr. Pigeon:** On a point of order—

**Mr. Speaker:** No. If it is on this question, the matter has been decided.

[*Later:*]

**Mr. Denis:** Pursuant to leave granted earlier this day, I now table the two lists in question.

**Mr. Deputy Speaker:** Is that the wish of the house?

**Some hon. Members:** Agreed.

## DOMINION-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE WITH PROVINCES

**Hon. Lionel Chevrier (Acting Prime Minister):** The Prime Minister advised the house on Monday that he had written to the premiers of the provinces about the agenda and other arrangements for the forthcoming federal-provincial conference. My right hon. friend said that after the letters had been received by the premiers he would table them, and in his absence I am now doing so on his behalf. The letters are in the languages in which they were sent out.

The letter to each premier encloses a paper setting out the proposed agenda and an outline of procedures with annotations referring to comments and suggestions which had been received from the premiers in response to an earlier letter to them. As these annotations refer to letters from the premiers which should not be tabled without their consent having been secured, the enclosure to the letters I am tabling omits them.

It does, however, set forth the agenda, the proposal for the committees of the conference and other procedural suggestions precisely as they were included in the documents sent to the premiers. These cannot, of course, be regarded as final until they are approved by the premiers and by the conference itself. However, as they are based on comments which have already been received from all concerned, they will indicate the consensus as to the matters to be discussed and the manner of conducting the conference.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I wonder whether, with the consent of the house, I could ask the hon. gentleman to tell us again what has been omitted from these documents. I could not quite catch what he said.

**Mr. Chevrier:** I indicated that what had been omitted were certain comments and suggestions which had been made by the premiers. These are not being tabled because before doing so we would have to obtain the consent of the premiers.

**Mr. Diefenbaker:** Will that consent be asked for?

**Mr. Chevrier:** If it is the wish of the house I could report to the Prime Minister accordingly, and I am sure that would be his desire.

## QUESTIONS

**Mr. Yvon Dupuis (Parliamentary Secretary to Secretary of State):** The following questions are being answered today: 1,078, 1,261, 1,328, 1,394, 1,420, 1,444, 1,452, 1,459, 1,472, 1,475, 1,489, 1,502, 1,505, 1,506, 1,508, 1,519, 1,521, 1,527, 1,529, 1,530, 1,532, 1,536, 1,538, 1,541, 1,545, 1,547, 1,550, 1,561, 1,565, 1,567, 1,569, 1,576, 1,590, and 1,597.

If questions numbers 1,129, 1,217, 1,386, 1,387, 1,409 and 1,486 could be made orders for returns, the returns would be tabled immediately.

[*Translation*]

Mr. Speaker, if you would call starred questions 1,484, 1,485 and 1,598, I would ask that the others stand.

[*Text*]

(Questions answered orally are indicated by an asterisk.)

JUSTICE DEPARTMENT—PROCEDURES RESPECTING CORRECTION, LAW ENFORCEMENT, PROBATION ETC.

*Question No. 1,078*—**Mr. Orlikow:**

1. Has the Department of Justice been reorganized in such a way that one senior officer of the department is responsible directly to the Minister of

Justice for the operation of the criminal law section, and also responsible for the liaison of the work of this section with the parole board, the R.C.M.P. and the penitentiaries branch so that the operations of these various sections may be integrated so that one officer of the department is thoroughly familiar with the operations of all these groups to advise the Minister of Justice as recommended by the Fauteux report?

2. Has the Department of Justice organized and sponsored a national conference attended by representatives of Canadian universities who are interested in the development of education in the fields of correction and law enforcement to formulate university programs for the training of workers trained in the fields of correction and criminology as recommended by the Fauteux report?

3. Has the Department of Justice implemented the recommendation of the Fauteux report that the federal government give special financial support toward the development of university education in criminology and related fields, such designated subsidies to continue until these programs are firmly established and, if so, where, and what are the amounts of the grants?

4. Has the government implemented the recommendation of the Fauteux report that financial assistance be granted to pre-service training by students in the fields of correction and criminology through tuition assistance and scholarship plans designed to encourage persons with superior qualifications to prepare for careers in correction and law enforcement?

5. Has the government any information regarding the provinces which have established systems of adult probation as recommended by the Fauteux commission and, if so, of those which have, how many probation officers has each province, and what are the professional qualifications, and years of experience of each?

6. Is the federal government taking any steps to ensure that courts at all levels uniformly interpret punishment as the correction of the offender rather than retribution by society, as recommended by the Fauteux report, and, if so, toward this end have any meetings or conferences been arranged by the government among judges, crown prosecutors, probation officers, psychiatrists, psychologists and representatives of the Department of Justice?

**Mr. Chevrier:** 1. No.

2. No.

3. No.

4. No.

5. All of the provinces, with the exception of Quebec and Prince Edward Island, have established systems of adult probation. No information is available with regard to Newfoundland. No information is available as to the number, professional qualifications and years of experience of the probation officers.

6. Officials of the Department of Justice have attended seminars of judges and magistrates on sentencing arranged by provincial attorneys general and universities.

FEDERAL BUILDINGS, WHITE BEAR INDIAN RESERVE, SASK.

*Question No. 1,261*—**Mr. Southam:**

1. What buildings have been erected by the federal government, giving the cost of each, either wholly or in part between June 21, 1957 and April 22, 1963 on the White Bear Indian reservation, Carlyle, Saskatchewan?

2. What federal government buildings, if any, are planned for 1963 on this reservation?

**Mr. Pickersgill:** 1. Nil.

2. Construction of a storage shed, estimated cost $450, is planned for this year.

COMMUNITY DEVELOPMENT, PORT SIMPSON, B.C.

*Question No. 1,328*—**Mr. Howard:**

Since January 1, 1961, has any proposal been received from the government of the province of British Columbia or from any minister or department thereof for community development at Port Simpson, B.C. and, if so (a) when (b) what was the nature of the proposal, and (c) what was the nature of the reply?

**Mr. Munro:** No.

TUNNEL BETWEEN QUEBEC CITY AND LEVIS

*Question No. 1,394*—**Mr. Dionne:**

Has the Minister of Public Works received representations concerning the construction of a tunnel between the cities of Quebec and Levis and, if so, what action will be taken with respect to such representations?

[*Translation*]

**Mr. Badanai:** No, this government has received none.

[*Text*]

DISARMAMENT—STUDY OF CONSEQUENCES TO CANADA

*Question No. 1,420*—**Mr. Mather:**

Are the Departments of Trade and Commerce and National Defence at work on a study of disarmament consequences to Canada and, if so, when may a report be expected?

**Mr. Pickersgill:** In response to a request by the United Nations secretary general, the Canadian government prepared a study on the economic and social consequences to Canada of general and complete disarmament. This study was prepared by various Canadian government departments and published in volume II of the secretary general's report on the economic and social consequences of disarmament, document E/3593/add. 1, April 11, 1962. A copy of this report is available in the library of parliament. Various departments are now compiling additional information on this subject and it is expected that this additional information will be sent to the United Nations secretariat in the near future.

MACAMIC, QUE.—PAVING OF POST OFFICE SITE

*Question No. 1,444*—**Mr. Laprise:**

1. Have tenders been called by the Department of Public Works for paving the site of the post office at Macamic?

2. Who were the bidders for that contract?

3. What was the amount of the tender of each of the bidders?

4. Who had the responsibility for distributing the forms of tender?

[*Translation*]

**Mr. Badanai:** 1. Yes, a tender has been received from D. Lamothe Limitee, of Noranda, P.Q.

2. D. Lamothe Limitee has been the only bidder.

3. $1,875.

4. No other tender has been called because that company was proceeding with important paving work for the municipality which resulted in savings for the department.

[*Text*]

DEPARTMENT OF TRANSPORT DIRECTORY

*Question No. 1,452*—**Mr. Fisher:**

1. Was a booklet "Department of Transport Directory" and in the blue section a "list of officers of boards, commissions and corporations reporting to the minister", dated at Ottawa, June 1963, printed (a) in English, and (b) in French and, if so (i) of those printed in English, how many were distributed (ii) of those printed in French, how many were distributed?

2. What was the cost of publishing these booklets (a) in English, and (b) in French?

3. Who authorized their publication, (a) in English, and (b) in French?

4. What disposition will be made of the booklets which were not distributed?

5. How often are these booklets published?

6. Will any new issues of this directory be published in both English and French and, if so, how many in each language?

**Mr. McIlraith:** 1 and 2. Yes. 1,500 copies printed in English at a cost of $1,264.91; and 1,320 distributed to date.

3. The departmental publications committee established in accordance with treasury board circular direction.

4. Number printed is related to expected distribution requirements, with a small reserve which is distributed on a continuing basis to meet additional requirements at headquarters and regional level.

5 and 6. Frequency of publication is determined from time to time by the departmental publications committee which has a present objective of once a year. So far as a French edition is concerned, the booklet is not for the purpose of providing information in narrative form but is simply a listing of names, residences, and telephone numbers of personnel.

RIDEAU WATERWAY LOCKS

*Question No. 1,459*—**Mr. Matheson:**

1. How many vessels passed through the following Rideau system locks in each of the years 1945, 1950, 1955, 1960, 1961, 1962, 1963, namely (a) Upper Brewers (b) Newboro (c) Smiths Falls detached (d) Burritts Rapids (e) Ottawa?

2. How many men were employed on all Rideau waterway locks, and at what cost during these years?

**Mr. McIlraith:**

1. Rideau canal vessel passage

| Lock station | 1945 | 1950 | 1955 | 1960 | 1961 | 1962 | 1963 |
|---|---|---|---|---|---|---|---|
| Upper Brewers | not available | 460 | 893 | 2010 | 2230 | 2303 | 2697 |
| Newboro | " | 2249 | 2717 | 4052 | 4148 | 4491 | 4518 |
| Smiths Falls det. | " | 457 | 540 | 1237 | 1412 | 1412 | 1664 |
| Burritts Rapids | " | 311 | 532 | 917 | 1158 | 1186 | 1412 |
| Ottawa | " | 214 | 310 | 256 | 267 | 231 | 444 |

2. Number of operating staff and cost

| | *Lock staff | Salary cost |
|---|---|---|
| 1945 | 70 | $ 73,266 |
| 1950 | 71 | 120,137 |
| 1955 | 57 | 145,900 |
| 1960 | 69 | 198,100 |
| 1961 | 73 | 218,370 |
| 1962 | 80 | 238,750 |
| 1963 | 80 | 139,566 (7 months) |

*not including maintenance staff.

JACQUET RIVER, N.B., POSTMASTER

*Question No. 1,472*—**Mr. MacRae:**

1. Was a civil service competition held recently to fill the position of postmaster at Jacquet River, New Brunswick?

2. If so, what was the number of the competition, and what was the closing date for the taking of applications for this position?

3. How many applicants were there for this position?

4. Who were the successful applicants, in order of merit?

5. Has the position now been filled and, if not, for what reason?

6. Does the government intend to follow the policy of filling positions by open competition?

**Mr. Pickersgill:** 1. Yes.

2. 63-J549; closing date, June 29, 1963.

3. Five.

4. Pettigrew, Douglas Bonar; Hickey, Arthur Charles; Audit, Monica Elizabeth.

Note: Messrs. Pettigrew and Hickey are entitled to the veterans preference.

*Questions*

5. No. On September 19, 1963, the commission was informed by the Post Office Department that it was looking into the question of the advisability of amalgamating Jacquet River and Durham Centre post offices to serve one postal area.

6. The civil service commission is responsible for determining the method by which a vacant position in the civil service will be filled. Under the Civil Service Act the commission is responsible for making appointments by means of open competition whenever it is possible to do so and if it is in the best interests of the service.

MENTAL HEALTH RESEARCH PROJECTS

*Question No. 1,475*—**Mr. Orlikow:**

1. What psychiatric research projects being conducted by the universities, government, and private foundations are being financed by federal health grants?
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?

**Miss LaMarsh:** 1. Under the mental health grant, federal funds have been allocated in 1963-64 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. Sixty three research projects are being supported in the present fiscal year. The value of each grant varies from $150 to $45,600.

3. Newfoundland, nil; Prince Edward Island, nil; Nova Scotia, $14,363; New Brunswick, nil; Quebec, $289,986; Ontario, $204,445; Manitoba, $27,048; Saskatchewan, $117,390; Alberta, nil; British Columbia, $60,314; Northwest Territories, nil; Yukon Territory, nil.

4. $713,546.

*REOPENING OF RAILWAY PROVIDENT FUND

*Question No. 1,484*—**Mr. Rideout:**

Is consideration being given to the reopening of the 1959 plan so as to allow provident fund employees to transfer to the 1959 plan?

**Mr. Cantin:** The management of the Canadian National Railways advise that this matter is not under consideration at the present time.

*AIR TERMINAL BUILDING, LONDON, ONT.

*Question No. 1,485*—**Mr. Irvine:**

1. How many bids were received on the tenders called for the new air terminal building in London, Ontario?
2. Who were the tenderers, and for what amounts?
3. Is any portion of the building to be air conditioned and, if so, what areas, and is this included in the general contract figure?
4. Will there be an opening ceremony and, if so, will the minister concerned be in attendance?

[Mr. Pickersgill.]

**Mr. Cantin:** 1. Eight bids were received.

2.

| Bidders | Amount |
|---|---|
| W. A. McDougall Ltd., London, Ont. | $ 998,899 |
| Ellis-Don Ltd., London, Ont. | 1,006,500 |
| Louis Donolo (Ont.) Ltd., Toronto 19, Ont. | 1,049,065 |
| McKay Cocker Construction Ltd., London, Ont. | 1,054,511 |
| The Foundation Co. of Canada Ltd., London, Ont. | 1,058,500 |
| The Frid Construction Company Ltd., Hamilton, Ont. | 1,061,500 |
| Curran & Herridge Construction Co., Ltd., Sarnia, Ont. | 1,104,000 |
| Johnson Bros. Co. Limited, Brantford, Ont. | 1,138,386 |

3. The entire building will be air conditioned and this work is included in the general contract figure.

4. It is standard procedure that a ceremony be held at the opening of new terminal buildings and this practice will probably be followed. The question of whether the minister concerned will be in attendance will be decided in due course.

CONSUMER SUBSIDY ON BUTTER

*Question No. 1,489*—**Mr. Peters:**

1. What effect has the 12 cents consumer subsidy, as applied to butter had on the butter sales in (a) Canada (b) export?
2. What increase in the domestic market is attributable to this subsidy (a) in consumption (b) in production?
3. What amount of the increase was diverted into (a) ice cream (b) soft ice cream (c) other dairy requirements?

**Mr. Hays:** 1. (a) During the 17 months in which the 12 cents subsidy has been in effect May 1, 1962 to September 30, 1963, total butter sales increased approximately 19 per cent over the same months of 1960-61.

(b) There was no effect on exports as the Canadian domestic price was above world prices. Only a few thousand pounds of butter are exported annually.

2. (a) Total consumption of butter during the 17 months May 1, 1962 to September 30, 1963, the period in which the subsidy has been in effect, was 488.9 million pounds compared with 410 million pounds in the same months of 1960-61, an increase of 78.9 million pounds.

(b) Total production of butter during the 17 months ending September 30, 1963 was 573.8 million pounds compared with 534.5 million pounds in the same months of 1960-61, an increase of 39.3 million pounds. Since May 1, 1963, butter production has dropped 10.4 million pounds, 4.8 per cent, over the same period in 1962, May 1 to October 1.

3. (a) and (b) It is estimated that in the 17 month period during which the subsidy has been in effect, 13 per cent of the increased sales of creamery butter, or 10.2 million pounds, was used for both hard and soft ice creams. There is no separate information on the quantity used in each type of ice cream.

(c) It is estimated that 4 per cent of the increase, or 3.2 million pounds, was used in manufacturing other foods.

EDMONTON AIRPORT TERMINAL BUILDING

*Question No. 1,502*—**Mr. Lambert:**

1. What is the estimated cost of construction and equipment of the Edmonton international airport, including purchase of land, construction of runways, lighting, terminal building, ancillary services, equipment, access roads, grants to the province of Alberta and the municipal district of Leduc with respect to road relocation and construction?
2. Of the estimated cost, how much has been expended as of October 15, 1963?
3. What is the take over date of the terminal building and related facilities, and when is it planned to officially open the said terminal building?

**Mr. McIlraith:** 1. $32,000,000.

2. Actual expenditure as of September 30, 1963, $27,137,475.

3. A provisional take over took place on October 25, 1963. The target for the official opening ceremony is February 1, 1964.

REGULATION OF SUGAR PRICES

*Question No. 1,505*—**Mr. Mather:**

1. Is the government aware of the action taken by the U.S. administration to curb sugar price speculations by placing the trading of sugar futures on the New York exchange under government regulations?
2. What is the situation respecting sugar price regulations in Canada?

**Answer:** 1. Yes. A bill has been submitted to the United States congress to enable the secretary of agriculture to regulate futures trading margins and the size of speculative accounts, but has not been under active consideration as yet and is not expected to be considered by congress until next year.

2. There is no commodity exchange in Canada in which sugar futures are traded. Canadian prices are determined by the cost of raw sugar in international markets. Furthermore, except in time of war or national emergency the regulation of prices is assigned by the British North America Act to the provinces.

SUBVENTION ON COASTAL SERVICE CONTRACT, MARITIME PROVINCES

*Question No. 1,506*—**Mr. MacEwan:**

Is it the intention of the government to renew the subvention on the coastal service contract between Pictou, Nova Scotia, Charlottetown, P.E.I. and the Magdalen islands, now held by the Magdalen Island Transportation Company Limited, which expires on December 30, 1963?

**Mr. McIlraith:** This contract is due to expire at the close of navigation 1963. As is the case with all other contracts, an assessment of the service will be made by the Canadian maritime commission, after which consideration will be given to renewal of service and terms of the contract.

WHARF REPAIRS, SKINNER COVE, N.S.

*Question No. 1,508*—**Mr. MacEwan:**

1. Have tenders closed for repairs and improvements to the wharf at Skinner's cove, Pictou county, Nova Scotia?
2. How many firms tendered on this work, and what was the amount of their tenders?
3. To whom will the contract be awarded?

**Mr. Badanai:** 1. Yes.

2. Four tenders received, as follows: Joseph Almon, New Glasgow, N.S., $12,785. R. A. Douglas, New Glasgow, N.S., $13,995. Colin R. MacDonald, Antigonish, N.S., $14,225. Stanley Reid, Pictou, N.S., $14,232.34.

3. The contract has not yet been awarded but is expected to be given to the lowest bidder.

COMBINES INVESTIGATION INTO B.C. FISHING INDUSTRY

*Question No. 1,519*—**Mr. Howard:**

What is the present status of the combines investigation branch inquiry relating to the production, purchase and sale of raw fish in British Columbia?

**Mr. Chevrier:** While the injunction proceedings in the courts against the restrictive trade practices commission have been concluded, it remains for the commission to complete its review of the oral and documentary evidence in order to comply with the judgment of the Supreme Court of Canada as to making evidence available to the parties and then to hear the submissions of the parties before making its report. Therefore, it will be some time before a report is received. In the meantime an intergovernmental committee (federal and British Columbia civil servants) has been appointed to study the problems concerned with price and wage disputes in the British Columbia fishing industry in order to make recommendations for minimizing interruption of fishing operations in future.

PAYMENTS TO PROVINCES UNDER HOSPITAL SERVICES ACT

*Question No. 1,521*—**Mr. Howard:**

For each year since its inception, what have been the payments to each province pursuant to the Hospital Insurance and Diagnostic Services Act?

**Miss LaMarsh:** Payments made to the provinces under the Hospital Insurance and Diagnostic Services Act for each year since its inception are shown in table I attached. This table will be found on page 19 of the annual

report under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1963, which was tabled in the House of Commons on October 10.

Further advances on contribution made subsequently in 1963 for the months April to August inclusive, by province, are shown in table II attached.

It will be noted that since the inception of the program on July 1, 1958, until the end of August 1963, total federal payments amounted to $1,169,596,823.02.

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[Miss LaMarsh.]

TABLE I

Contributions by Canada—with Respect to July 1, 1958 to March 31, 1963
by Province and by Calendar Year

| Province | 1958 Total Contributions | 1959 Total Contributions | 1960 Total Contributions | 1961 Advances on Contributions | 1962 Advances on Contributions | 1963 Advances on Contributions |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Newfoundland | 1,990,135.23 | 4,788,013.82 | 5,603,586.29 | 5,656,923.57 | 6,737,187.55 | 1,615,418.07 |
| Prince Edward Island | — | 235,524.49 | 1,116,640.33 | 1,203,258.07 | 1,550,148.17 | 408,149.25 |
| Nova Scotia | — | 8,149,539.76 | 9,991,458.82 | 10,595,263.12 | 12,750,964.59 | 3,236,391.36 |
| New Brunswick | — | 3,331,614.19 | 7,409,672.94 | 9,086,618.46 | 10,395,505.09 | 2,707,863.06 |
| Quebec | — | — | — | 66,746,709.45 | 85,325,597.04 | 23,600,587.42 |
| Ontario | — | 72,610,303.71 | 86,732,452.12 | 95,016,981.49 | 112,514,191.97 | 29,245,652.51 |
| Manitoba | 4,779,865.66 | 11,556,009.75 | 13,229,363.97 | 14,086,400.97 | 16,263,890.65 | 4,201,244.82 |
| Saskatchewan | 5,775,875.67 | 13,276,380.46 | 14,893,775.21 | 15,119,648.10 | 17,053,916.82 | 4,374,957.78 |
| Alberta | 6,494,722.50 | 15,345,668.80 | 18,200,793.60 | 18,778,935.83 | 22,544,792.40 | 5,529,508.35 |
| British Columbia | 8,609,463.00 | 20,033,811.20 | 23,309,699.60 | 24,271,046.40 | 27,848,722.58 | 7,357,524.55 |
| Yukon | — | — | 124,314.31 | 269,520.51 | 315,257.35 | 65,895.29 |
| Northwest Territories | — | — | 208,049.96 | 362,037.05 | 463,972.44 | 128,879.98 |
| Total | 27,650,062.06 | 149,326,866.18 | 180,819,807.15 | 261,193,343.02 | 313,764,146.65 | 82,472,072.44 |
| Cumulative Total | — | — | — | — | — | 1,015,226,297.50 |

*Questions*

Table II

Advances by Canada for months April to August, inclusive 1963

| Province | Advance on Contribution |
|---|---|
| Newfoundland | $ 3,392,419.27 |
| Prince Edward Island | 797,379.26 |
| Nova Scotia | 5,934,466.72 |
| New Brunswick | 4,907,205.33 |
| Quebec | 43,027,084.92 |
| Ontario | 54,889,690.37 |
| Manitoba | 7,923,501.19 |
| Saskatchewan | 8,517,532.01 |
| Alberta | 11,084,473.93 |
| British Columbia | 13,533,710.66 |
| Northwest Territories | 225,000.18 |
| Yukon Territory | 138,061.68 |
| Total | $ 154,370,525.52 |
| Total for Table I | 1,015,226,297.50 |
| Cumulative Total | $1,169,596,823.02 |

TENDERS FOR FISHERMEN'S WHARF, PUGWASH, N.S.

*Question No. 1,527*—**Mr. Coates:**

1. Who was the successful tenderer for construction of the fisherman's wharf at Pugwash, Nova Scotia?
2. How many bids were received, and what was the amount of each tender submitted?
3. What is the expected date of completion of this project?

**Mr. Badanai:** 1. R. A. Douglas Limited of New Glasgow, N.S.

2. Four bids were received: R. A. Douglas Limited, New Glasgow, N.S., $40,585.75; Colin R. MacDonald Limited, Antigonish, N.S., $43,507; R. K. Chappell Construction Ltd., Sydney, N.S., $43,653; Liverpool Lumber Co. Ltd., Liverpool, N.S., $49,933.62.

3. March 2, 1964.

TREATMENT CENTRES FOR EMOTIONALLY DISTURBED CHILDREN

*Question No. 1,529*—**Mr. Orlikow:**

1. How many residential treatment centres for emotionally disturbed children are there in Canada?
2. Where are these treatment centres located?

**Miss LaMarsh:** 1. and 2.

It is not possible to know the total number of such centres since they do not report to the dominion bureau of statistics and are not required to meet objective accreditation standards for treatment. However the Department of National Health and Welfare knows of 11 such centres located in Montreal, Toronto, Newmarket, Windsor, Kingston, Ottawa, Winnipeg, Regina, Vancouver, Victoria and White Rock. There are as well seven hospitals in Canada which admit children with psychiatric disabilities and 12 hospital training schools for the mentally retarded.

HOSPITAL OPERATING COSTS

*Question No. 1,530*—**Mr. Orlikow:**

1. What was the total cost of operating Canada's hospitals for each of the past five years, province by province?
2. What was the total cost of operating Canada's mental hospitals for each of the past five years?
3. What was the per diem cost of operating Canada's hospitals for each of the past five years?
4. What was the per diem cost of operating Canada's mental hospitals for each of the past five years?

**Miss LaMarsh:** 1. Total operating expenditures of public general and allied special hospitals for each of the five years for which final figures are available, in thousands of dollars:

| | 1957 | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Newfoundland | 4,045 | 6,154 | 8,138 | 9,436 | 10,460 |
| Prince Edward Island | 1,612 | 1,752 | 2,106 | 2,575 | 3,015 |
| Nova Scotia | 12,799 | 14,181 | 18,385 | 21,858 | 24,882 |
| New Brunswick | 10,841 | 12,228 | 16,253 | 20,843 | 23,649 |
| Quebec | 95,293 | 108,460 | 110,072 | 131,604 | 167,319 |
| Ontario | 146,390 | 163,246 | 195,671 | 229,969 | 258,265 |
| Manitoba | 18,301 | 22,878 | 27,966 | 31,363 | 35,987 |
| Saskatchewan | 28,966 | 32,016 | 35,955 | 38,729 | 39,978 |
| Alberta | 32,367 | 36,884 | 43,178 | 47,002 | 50,854 |
| British Columbia | 42,787 | 46,361 | 52,460 | 59,463 | 64,127 |
| Yukon | n/a | n/a | n/a | n/a | 474 |
| Northwest Territories | n/a | n/a | n/a | n/a | |
| Canada | $393,401 | $444,161 | $510,183 | $592,842 | $679,005 |

2. Total operating expenditures reported by public mental hospitals in Canada in thousands of dollars:

| | Number of hospitals reporting | Total operating expenses—all provinces |
|---|---|---|
| 1957 | 37 | 63,920 |
| 1958 | 38 | 72,001 |
| 1959 | 37 | 66,023* |
| 1960 | 41 | 86,725 |
| 1961 | 34 | 75,039* |

*Excluding Quebec for which records are not available.

3. and 4.

| | Public general and allied special hospitals | Public mental hospitals |
|---|---|---|
| 1957 | $14.18 | $3.58 |
| 1958 | 15.71 | 3.95 |
| 1959 | 17.21 | 5.21* |
| 1960 | 19.47 | 4.67 |
| 1961 | 23.07 | 5.90* |

*Excluding Quebec for which records are not available.

DIVISION OF VOTES, 1963 ELECTION

*Question No. 1,532*—**Mr. Matheson:**

1. Has any department or agency of the federal government information which would indicate, by parties or groups, on the average, how many votes were received, in the 1963 federal election, by a (a) Ralliement Creditiste M.P. (b) Social Credit M.P. (c) New Democratic M.P. (b) Progressive Conservative M.P. (e) Liberal M.P.; and, if so, what are the figures in each case?

2. Has any department or agency of the federal government information which would indicate, by parties or groups, on the average, how many constituents are represented by a (a) Ralliement Creditiste M.P. (b) Social Credit M.P. (c) New Democratic M.P. (d) Progressive Conservative M.P. (e) Liberal M.P. of the twenty sixth parliament; and, if so, what are the figures in each case?

**Mr. Pickersgill:** The chief electoral officer has supplied the following statistics:

1. (a) Ralliement Creditiste, 147,936; (b) Social Creit, 139,689; (c) New Democratic, 238,584; (d) Progressive Conservative, 1,192,-854; (e) Liberal, 2,111,566.

2. (b) Ralliement Creditiste, $796,539; (b) Social Credit, 809,491; (c) New Democratic, 1,356,016; (d) Progressive Conservative, 5,577,-687; (e) Liberal, 9,698,514.

CHEESE EXPORT SUBSIDY

*Question No. 1,536*—**Mr. Peters:**

1. What has been the result of the reduction in cheese export subsidy from four cents to three cents?

2. What effect has this on the export price to (a) Great Britain (b) other European markets (c) American market?

3. What is the total production of cheddar cheese for the years 1961, 1962, and each month of 1963 in (a) Canada (b) province of Quebec (c) province of Ontario?

*Questions*

4. In each case, what percentage is made from (a) raw milk (b) by the by-flash process?

**Answer:** 1. The reduction in the cheese export subsidy, applicable only to cheddar cheese shipped to Britain, has effected a saving to the treasury of $61,180 on exports to that country in the May to August period this year, of $6,118,000 pounds. Total 1963 exports to Britain are expected to equal those of last year, which amounted to 26 million pounds. Demand for Canadian cheddar in that market continue strong.

2. (a) The export price of cheddar on a cents pound basis f.o.b. shipping point has remained above last year's comparable price for the period May to August:

| | 1963 | 1962 |
|---|---|---|
| May | 33.6 | 31.7 |
| June | 34.2 | 32.0 |
| July | 33.8 | 30.4 |
| August | 33.4 | 31.4 |

(b) and (c) not applicable. (See answer 1).

3.

Cheddar cheese production ('000 lbs.)

| | Canada | Ontario | Quebec |
|---|---|---|---|
| 1961 (Annual) | 118,912 | 68,020 | 45,925 |
| 1962 (Annual) | 116,558 | 66,692 | 45,190 |
| 1963 January | 4,324 | 2,028 | 2,068 |
| February | 3,377 | 1,766 | 1,399 |
| March | 5,329 | 2,735 | 2,314 |
| April | 8,758 | 4,312 | 4,143 |
| May | 14,335 | 8,173 | 5,641 |
| June | 18,074 | 10,843 | 6,555 |
| July | 18,056 | 9,819 | 7,592 |
| August | 17,242 | 9,730 | 6,962 |
| September | 16,437 | 8,869 | 7,037 |

4. No information is available.

PLACE MEASUREMENT DREDGING, MARITIME PROVINCES

*Question No. 1,538*—**Mr. Coates:**

1. What place measurement dredging projects are being considered in the maritime provinces for the fiscal year 1964-65?

2. What are the estimated quantities to be dredged in each of these projects?

**Mr. Badanai:** 1 and 2. This information is not available at this time and will not be available until the department's 1964-65 estimates are tabled in the house.

STUDIES OF WATER LEVELS, ST. LAWRENCE RIVER

*Question No. 1,541*—**Mr. Latulippe:**

1. Does the government intend to institute a study of the causes of the lowering of the level of water in the St. Lawrence river?

2. If studies of this problem have been made, of what nature were they, and by whom were they made?

3. Does the St. Lawrence seaway authority have any jurisdiction in that matter and, if so, to what extent?

*Questions*

[*Translation*]

**Mr. Turner:** 1. The level of water in the St. Lawrence has been under study for several years and the studies will continue. The present low-level cycle is due actually to the small amount of precipitation which has fallen in the drainage basins of the Ottawa river, the great lakes and the St. Lawrence river.

2. The studies include various suggestions to control the flow of lake Ontario and concerning the effects of the holding up of water in the upper Ottawa, as well as studies on models and on the spot for the future construction of protective works in the St. Lawrence river, at Montreal and downstream from Montreal.

Studies on the control of the flow of lake Ontario come under the international St. Lawrence river board of control, on behalf of the international joint commission; those concerning the Ottawa river drainage basin are undertaken by the federal-provincial Ottawa river board of engineers and those made at Montreal and downstream, mainly by the Department of Transport.

Studies of the factors affecting the water level of lake Ontario and consequently the flow and level of the St. Lawrence river have also been made by the international lake Ontario board of engineers, on behalf of the joint international commission, from 1952 to 1958.

3. No.

[*Text*]

STUDY OF BANKRUPTCIES

*Question No. 1,545*—**Mr. Latulippe:**

In view of the recent publication of statistics on the number of bankruptcies in Canada and particularly in the province of Quebec, does the government plan to undertake a survey of the situation and to take immediate appropriate action?

[*Translation*]

**Mr. Chevrier:** A complete revision of the Bankruptcy Act is being studied in the Department of Justice and there is before parliament an interim measure, Bill S-2, "An Act to Amend the Bankruptcy Act", for the purpose of improving certain aspects of the Bankruptcy Act administration.

[*Text*]

ALGERIA—CANADIAN INTERESTS AFFECTED BY NATIONALIZATION PROGRAM

*Question No. 1,547*—**Mr. Latulippe:**

Have any Canadian industries or any Canadian capital been affected by the nationalization program of the government of Algeria and, if so (a) how many industries (b) what capital is involved (c) did the federal government take any steps to protect Canadian interests?

[Mr. Latulippe.]

[*Translation*]

**Mr. Martin (Essex East):** We are informed that there does not seem to be in Algeria any Canadian capital or industry which could be nationalized.

Consequently, the government has received no claim for compensation.

Therefore parts (a), (b) and (c) of the question are not applicable.

[*Text*]

SALARIES OF POLICE MAGISTRATES, YUKON AND NORTHWEST TERRITORIES

*Question No. 1,550*—**Mr. Nielsen:**

1. Has the salary of the police magistrate in and for the Yukon Territory been increased and, if so (a) on what date was the increase authorized (b) was the increase retroactive, and to what date (c) what was the amount of the increase?

2. Has the salary of the police magistrate in and for the Northwest Territories been increased and, if so (a) on what date was the increase authorized (b) was the increase retroactive, and to what date (c) what was the amount of the increase?

**Mr. Chevrier:** 1. No.

2. No.

DOMINION-PROVINCIAL AGREEMENT, STEWART-CASSIAR ROAD, B.C.

*Question No. 1,561*—**Mr. Howard:**

Are any discussions or negotiations presently under way between the government or any agency or branch thereof and the government of the province of British Columbia regarding an agreement to contribute to the construction of the so-called Stewart-Cassiar road and, if so, when is it expected that an agreement will be reached?

**Answer:** No. Federal contribution to the cost of constructing the Stewart-Cassiar road is being made in accordance with an agreement made in 1958, and amended in June 1963 to extend the completion date from 1963 to 1968.

NEGOTIATIONS WITH CZECHOSLOVAKIA ON NATIONALIZED PROPERTIES

*Question No. 1,565*—**Mr. Klein:**

Has the government any information concerning negotiations now being carried on between the government of the United States and the government of Czechoslovakia for the settlement of claims of United States citizens for properties nationalized by Czechoslovakia after world war II, and, if so, are similar negotiations being conducted or will they be conducted by the Canadian government on behalf of Canadian citizens having similar claims against Czechoslovakia?

**Mr. Martin (Essex East):** Our information is that the United States-Czechoslovakia negotiations on nationalization claims of United States citizens, which have been carried on over a number of years, are still going on.

As regards claims of Canadian citizens in respect of property nationalized by the Czechoslovak government, repeated efforts

have been made in the past through the Canadian embassy in Prague to obtain a settlement of these claims, without success. The Canadian government has within the past few days made further efforts to bring about negotiations. The past attitude of the Czechoslovak government has not been encouraging, but all possibilities for making some progress in respect of these claims are being carefully and actively explored.

CANADA MEDAL

*Question No. 1,567*—**Mr. Lambert:**

1. Have any awards of the Canada medal been made since its institution in 1943, if not, has the authority for the Canada medal been revoked?
2. If the Canada medal is still active, what plans are contemplated for its future?

**Mr. Pickersgill:** 1. No; no.

2. None at the present time.

*MILK SUBSIDY PAYMENTS, QUEBEC

*Question No. 1,569*—**Mr. Ricard:**

Since the establishment of the agricultural prices stabilization board and up to March 31, 1963, what has been the total amount paid as a grant of 25 cents a hundredweight of milk to the producers supplying each of the following factories: Societe Cooperative Agricole, St-Germain, Co. of Drummond; Theodore Jodoin, St-Theodore d'Acton, Co. of Bagot; Societe Cooperative Agricole, St-Hugues, Co. of Bagot; Deslauriers & Frere-Paul Jodoin, St-Liboire, Co. of Bagot; Felice Di Palma, St-Liboire, Co. of Bagot; Heliodore Parent, Ste-Helene, Co. of Bagot; Societe Cooperative Agricole, St-Simon, Co. of Bagot; Theodore Gevry, St-Pie, Co. of Bagot; Alfred Bernard, La Presentation, Co. of St-Hyacinthe; Produits Laitiers Val Maska, St-Damase, Co. of St-Hyacinthe; Charles Benoit & Irenee Lariviere, La Presentation, Co. of St-Hyacinthe; Lussier & Frere, Enr., St-Hyacinthe, Co. of St-Hyacinthe; Produits Laitiers Mont St-Hilaire, St-Hyacinthe, Co. of St-Hyacinthe?

**Mr. Hays:** During the four fiscal year periods ending March 31, 1963, the period in which the 25 cent per hundredweight milk subsidy has been provided, the factories listed, acting as agents for the agricultural stabilization board, have transmitted to their respective producers a total amount of $1,516,221.79.

WHEAT BOARD SALES CONTRACTS

*Question No. 1,576*—**Mr. Horner (Acadia):**

For the crop year beginning August 1, 1963, until the present time (a) how many sales contracts for wheat has the wheat board entered into (b) what countries were the contracts signed with, and on what dates were they signed (c) what was the board's listed price on each of the days on which the sales contracts were signed?

**Answer:** It is contrary to government policy and not in the public interest to reveal details of the commercial sales contracts entered into by the Canadian wheat board.

PURCHASE OF SOUTH AMERICAN RAW SUGAR

*Question No. 1,590*—**Mr. Côté (Chicoutimi):**

Is the government considering the possibility of purchasing Demerara-type raw sugar at low prices directly from Rio or Sao Paulo, Brazil, through our commercial attaché with a view to reselling it to Canadian refineries with a consequent lowering of prices on the Canadian market?

[*Translation*]

**Answer:** The government is not considering the purchase of Demerara-type of raw sugar. The import of sugar into Canada is in the hands of the private trade and if Canadian importers can obtain sugar at lower prices in certain countries, they will no doubt avail themselves of the opportunity.

[*Text*]

CANADA'S MOST FAVOURABLE TRADE BALANCE

*Question No. 1,597*—**Mr. Flemming (Victoria-Carleton):**

With what country does Canada have the most favourable balance of trade and, what is (a) the value of exports to that country (b) the value of imports from that country, for the last twelve month period for which figures are available?

**Answer:** Canada has a larger export balance on trade with Britain than on trade with any other country. The value of commodity trade with Britain in the 12 months ending September, 1963, latest figures available, was as follows: domestic exports, $992,950,862; re-exports, $9,443,729; imports, $514,129,911*.

*August and September are preliminary.

*INFORMATION AND WARRANT AGAINST HAL BANKS

*Question No. 1,598*—**Mr. Woolliams:**

1. What charges were laid by information against Hal C. Banks prior to or on October 31, 1963?
2. What was the date of the charge or charges in question and who laid the information or informations in question?
3. Was a warrant issued for the said Banks arrest contemporaneously or immediately following the taking and swearing of the said information or informations?
4. If a said warrant was issued, what date and hour was it delivered to the police for execution?

**Mr. Macdonald:** Mr. Speaker, the answers are as follows:

1. An information was laid against Harold Chamberlain Banks of Pointe Claire, in the district of Montreal, charging him with conspiring to commit an assault causing bodily harm to Captain Henry Francis Walsh.

2. The date of the laying of the said information was October 23, 1963, and it was laid by Sergeant Joseph McLeod of the Royal Canadian Mounted Police.

3. A warrant for the arrest of Banks was issued on October 23, 1963 immediately following the laying of the said information.

4. The said warrant was delivered to the Royal Canadian Mounted Police immediately upon being issued but the Royal Canadian Mounted Police were directed not to execute it pending further instructions. They were directed on November 5, 1963, to execute the said warrant.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL EXPENDITURES, CLANDEBOYE INDIAN RESERVE, MAN.

*Question No. 1,129*—**Mr. Slogan:**

1. What were the expenditures on each reserve in the Clandeboye Indian agency, and for what purposes, in the years 1961-62 and 1962-63?
2. What are the proposed expenditures on each of the Indian reserves in the Clandeboye Indian agency for the year 1963-64, and for what purposes?

Return tabled.

REQUESTS FOR CO-OPERATION IN CHAUDIERE RIVER WORKS

*Question No. 1,217*—**Mr. Perron:**

1. During the last two fiscal years, has the government of the province of Quebec requested the federal government to carry out or to co-operate in carrying out certain works in the Chaudiere river and, if so, what was the nature of such works?
2. Has the federal government received requests during the last two fiscal years from municipalities wishing to obtain its co-operation in carrying out certain works on the Chaudiere river and, if so (a) which municipalities (b) what will be the nature of such works and (c) what was the answer given by the federal government?

Return tabled.

DEPORTATION ORDERS

*Question No. 1,386*—**Mr. Howard:**

1. Since January 1, 1962, how many, if any, people have been ordered to be deported, shown by country of last permanent residence, and what was the reason for the order of deportation having been made?
2. How many of these have not been so deported with the reasons given in each case?

Return tabled.

VISITORS DEPORTED AND REFUSED CITIZENSHIP

*Question No. 1,387*—**Mr. Howard:**

For each year since January 1, 1957, how many persons resident in Canada by virtue of visitors permits have been (a) ordered to be deported and (b) refused citizenship papers, with the reason given in each case?

Return tabled.

SPONSORED IMMIGRANTS

*Question No. 1,409*—**Mr. Prittie:**

1. In regard to sponsored immigrants, does the Department of Citizenship and Immigration draw any distinction between those immigrants who are expected to become self-supporting and those who, by reason of age and/or infirmity, will never be self supporting?

[Mr. Macdonald.]

2. (a) How many sponsored immigrants were admitted to Canada in each of the years 1955-1962 inclusive (b) of the total number of immigrants entering Canada in each of the years 1955-1962, what percentage were sponsored (c) what were the countries of origin for the sponsored immigrants during each of the years in question (d) by what process is the department made aware of any subsequent application for assistance on the part of a sponsored immigrant, to municipal or provincial authorities (e) since 1955, how many sponsored immigrants have subsequently received public assistance following their admission to Canada (f) does the federal government assume complete responsibility for the cost of public assistance paid on behalf of immigrants who were sponsored at the time of their admission into Canada or is any cost-sharing agreement in existence whereby the provinces are reimbursed for public assistance granted on behalf of sponsored immigrants?
3. Is a sponsor required to sign an undertaking to provide care and maintenance for the person sponsored, and does this document incorporate a guarantee that such persons will not become a public charge at any time during their residence in Canada, if so, (a) does such a document have any legal validity and is it the practice of the department to seek legal recourse in enforcing the terms of the contract under which entry was granted (b) in those situations where a sponsor deliberately repudiated his responsibility to provide support for an immigrant who is incapable of ever becoming self supporting, what action was taken by the department if persuasion proved unsuccessful (c) do financial obligations incurred subsequent to the admission of an immigrant release the sponsor from his prior obligation to support?

Return tabled.

*WHEAT BOARD MEMBERSHIP AND POWERS

*Question No. 1,486*—**Mr. Langlois:**

1. What is the rate per bushel paid by the farmers for the transport of grain from western Canada to the great lakes warehouses?
2. What is the price per bushel paid to the farmers of western Canada for oats, wheat, rye and flax in 1962 and 1963?
3. Who are the members of the Canadian wheat board and, by name, what changes have been made in the membership of the board since (a) 1958 (b) July, 1963?
4. What powers does the board of grain commissioners have with regard to the purchase or the transport of western feed grains or of export grain?
5. For what number of years did Mr. F. F. Hamilton, chief commissioner of the board of grain commissioners, act as deputy commissioner of that board before acceding to his present position?
6. What did he do prior to his becoming deputy commissioner?

Return tabled.

## MOTIONS FOR PAPERS

DR. LORIS RUSSELL—APPOINTMENT TO NATIONAL MUSEUM

*Motion No. 107*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence exchanged between the government, including that through the office of the Prime Minister, regarding the appointment of Dr. Loris Russell some time ago to head the national museum.

He said: Mr. Speaker, I would ask leave to withdraw this motion.

**Mr. Speaker:** Withdrawn.

Order discharged and motion withdrawn.

ORDERS IN COUNCIL RESPECTING IMMIGRATION

*Motion No. 111*—**Mr. Peters:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all orders in council covering immigration for the years 1955, 1956, 1957, 1958, and 1959, and to include any corrections that have been brought to the attention of the government as a consequence of the immigration amnesty order, together with recommendations instituted by members of parliament concerning individuals covered by such orders in council.

He said: I would ask permission to have this motion stand.

**Mr. Speaker:** Stand.

Motion stands.

CORRESPONDENCE BETWEEN R.C.M.P. AND ALERT SERVICE

*Motion No. 112*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence between the R.C.M.P. commissioner's office or that of the "I" directorate office and the alert service (Marjorie Lamb, P.O. Box 173, Station "Q", Toronto, Ontario), since June 1, 1961.

**Mr. Chevrier:** Mr. Speaker, it is not and has never been in the public interest to produce correspondence to or from the Royal Canadian Mounted Police, for to do so would immediately destroy the confidence on which numerous organizations and the general public have always relied in communicating with the R.C.M.P. Therefore the public interest requires us to continue to maintain a policy that such matters are never publicly disclosed.

**Mr. Fisher:** Mr. Speaker, I should like to have this motion transferred for debate.

**Mr. Speaker:** Transferred for debate.

T.C.A. REPAIR FACILITIES, WINNIPEG

*Motion No. 129*—**Mr. Orlikow:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the government of Canada and the government of the province of Manitoba since April 8, 1963, dealing with the proposed move of T.C.A. repair facilities from Winnipeg to Montreal.

**Mr. McIlraith:** Mr. Speaker, there is no objection to this motion subject to the usual reservation as to obtaining the consent of the province.

**Mr. Speaker:** The motion is agreed to subject to the reservation of the minister.

Motion agreed to.

28902-5—284

CORRESPONDENCE FROM AUDITOR GENERAL REGARDING ESTATES

*Motion No. 138*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence sent by the Auditor General to the minister or the deputy minister (taxation) of the Department of National Revenue regarding any revenues which should be collected by the crown in connection with estates of deceased persons since January 1, 1963, and to be more specific, in view of previous decisions on like motions, for only that correspondence signed by the Auditor General, Mr. Henderson, and not correspondence or memoranda directed by employees of the Auditor General's office.

**Mr. McIlraith:** Mr. Speaker, I am advised by the Minister of National Revenue that he has spoken to the hon. member for Port Arthur, and that since no correspondence has been received by the minister or the deputy minister, taxation, of the Department of National Revenue from the Auditor General the hon. member is now prepared to withdraw the motion.

**Mr. Speaker:** Withdrawn.

Order discharged and motion withdrawn.

INDUSTRY—DUPLICATION IN SETTING UP OF DEPARTMENT

*Motion No. 139*—**Mr. Orlikow:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the government of Canada and the government of the province of Manitoba and other provinces regarding possible duplication created by setting up the Department of Industry when similar departments have already been operating in the province of Manitoba and other provinces.

**Mr. Knowles:** Mr. Speaker, the Minister of Industry has drawn my attention to notice of motion for production of papers No. 140 passed a few days ago which asked for all that is asked for in this motion and even more. Therefore I am sure my colleague the hon. member for Winnipeg North would not mind if this motion were now dropped.

**Mr. Speaker:** Dropped.

Order discharged and motion withdrawn.

STUDY OF NELSON RIVER POWER POTENTIAL

*Motion No. 142*—**Mr. Dinsdale:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all letters, communications, documents, and reports exchanged since 1961 between the government of Canada and the government of Manitoba with respect to a study of the power potential of the Nelson river.

**Mr. Laing:** Mr. Speaker, we are entirely agreeable to accepting this motion subject only to the usual reservation with respect to obtaining the assent of the province.

*Motions for Papers*

**Mr. Speaker:** The motion is accepted subject to the reservation expressed by the minister.

Motion agreed to.

INTERVIEWS WITH INMATES, ST. VINCENT DE PAUL PENITENTIARY

*Motion No. 143*—**Mr. Howard:**

That an order of the house do issue for a copy of the transcript of any interview, inquiry or examination of or with each inmate of St. Vincent de Paul penitentiary relating to the riot in that penitentiary on June 17, 1962.

He said: Mr. Speaker, I should like to have permission to withdraw this notice of motion.

**Mr. Speaker:** Motion withdrawn.

Order discharged and motion withdrawn.

APPOINTMENT OF POSTMASTER, RAMA, SASK.

*Motion No. 144*—**Mr. Korchinski:**

That an order of the house do issue for a copy of all correspondence, telegrams, petitions and other documents, other than inter-departmental correspondence, exchanged between the office of the Postmaster General and any consultants, advisers or any other interested parties relating to the appointment of a postmaster at Rama, Saskatchewan, since April 8, 1963.

**Mr. Denis:** Mr. Speaker, we have no objection to the adoption of this motion and the tabling of all official correspondence.

**Mr. Pigeon:** What do you mean by "official"?

**Mr. Knowles:** No Christmas cards?

Motion agreed to.

CORRESPONDENCE WITH MANITOBA ON DEPARTMENT OF INDUSTRY

*Motion No. 145*—**Mr. Dinsdale:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, briefs, memoranda, or other documents exchanged since the 22nd day of April, 1963, between the government of Canada and the government of Manitoba with respect to the setting up of a Department of Industry.

He said: Mr. Speaker, I understand that the information requested in this motion has already been tabled in response to order No. 140. In view of this I would be happy to withdraw my motion.

**Mr. Drury:** It will be tabled, Mr. Speaker.

**Mr. Speaker:** The motion is dropped.

Order discharged and motion withdrawn.

SECURITY PROCEDURES AND INVESTIGATIONS

*Motion No. 146*—**Mr. Orlikow:**

That an order of the house do issue for a copy of all correspondence received since January 1, 1963 by the Prime Minister and/or the Minister of Justice from organizations or individuals dealing with the problem of security procedures and investigations and the replies to same.



**Mr. Chevrier:** I wonder whether the hon. member would allow this to stand.

**Mr. Knowles:** That will be agreeable.

**Mr. Speaker:** Stand.

Motion stands.

B.C. FISHING INDUSTRY—JOINT COMMITTEE

*Motion No. 147*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all letters, telegrams, and other documents exchanged between the government or any agency or department thereof and any other person, organization or government since July 1, 1963 dealing with the federal-provincial committee on price and wage disputes in the British Columbia fishing industry.

**Mr. Robichaud:** Mr. Speaker, the government is agreeable to accepting this motion subject to the usual reservation in connection with federal-provincial correspondence and the inter-departmental exchange of correspondence.

**Mr. Speaker:** The motion is accepted subject to the reservation of the minister.

Motion agreed to.

ADVISORY COMMITTEE, NORTH PACIFIC FISHERIES COMMISSION

*Motion No. 148*—**Mr. Howard:**

That an order of the house do issue for a copy of all correspondence, telegrams and other documents exchanged between the government or any agency or branch thereof and any or all members of the advisory committee to the north Pacific fisheries commission since July 1, 1963.

**Mr. Robichaud:** The government is agreeable to accepting this motion.

**Mr. Speaker:** The motion is accepted.

Motion agreed to.

APPOINTMENT OF ARBITRATOR, B.C. FISHING INDUSTRY

*Motion No. 149*—**Mr. Howard:**

That an order of the house do issue for a copy of the telegram received during the early part of August, 1963, from the fisheries association of British Columbia, which telegram dealt with the suggestion that an arbitrator be appointed to settle certain unresolved questions related to the strike in the fishing industry in B.C. earlier in the year.

**Mr. Robichaud:** This motion is acceptable to the government.

Motion agreed to.

DR. LORIS RUSSELL—APPOINTMENT TO NATIONAL MUSEUM

*Motion No. 150*—**Mr. Fisher:**

That an order of the house do issue for a copy of all correspondence exchanged between ministers or employees of the government and outside persons regarding the appointment of Dr. Loris Russell some time ago to head the national museum.

**Mr. Laing:** Mr. Speaker, we are quite prepared to accept this motion subject only to the reservation respecting such privileged documents as may exist.

**Mr. Speaker:** The motion is accepted subject to the reservation expressed by the minister.

Motion agreed to.

CORRESPONDENCE WITH ROLAND COMTOIS, REPENTIGNY, QUE.

*Motion No. 151*—**Mr. Pigeon:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Minister of Justice or officers of the Department of Justice, on one hand, and Mr. Roland Comtois, of Repentigny, constituency of Joliette-L'Assomption-Montcalm, on the other hand.

**Mr. Chevrier:** Mr. Speaker, as I indicated on a former occasion, since there is no official correspondence I have no objection to this motion passing.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I would ask that this motion be transferred for debate; as concerns—

**An hon. Member:** It is already accepted.

**Mr. Pigeon:** —as concerns the word official, I think that the word "patronage" should be substituted.

[*Text*]

**Mr. Chevrier:** Mr. Speaker, perhaps you would allow me to refer you to page 2858 of *Hansard* of July 30, 1958, where under similar circumstances the then minister of agriculture said:

I am also informed it has never been the custom of the house to have documents of this nature—

Personal and confidential documents.

—produced. If there are any documents in addition to these I shall be glad to produce them.

That is the position I am taking on this motion, namely that I consent to it but that there are no official documents.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, in my view, this is quite a different case. The Minister of Justice is distorting the meaning of the motion and I ask that it be transferred for debate.

[*Text*]

**Mr. Speaker:** Transferred for debate.



APPOINTMENT OF COMMISSIONER OF MACKENZIE TERRITORY

*Motion No. 153*—**Mr. Rheaume:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, documents or other papers exchanged between any of the following: (a) the Minister of Northern Affairs and National Resources, and/or any official or employee of the department of northern affairs (b) Mr. E. R. Horton of Yellowknife, Northwest Territories (c) Mrs. I. J. H. "Tibbie" Hardie, Ottawa, Ontario, "consultant" (d) Mr. John J. Connolly, Ottawa, Ontario (e) and/or any other member of the executive of the Northwest Territories Liberal association; relating to the appointment of Mr. E. R. Horton of Yellowknife, N.W.T., as resident commissioner of the proposed Mackenzie territory.

He said: Mr. Speaker, I would ask permission to have this motion withdrawn.

**Mr. Speaker:** Motion withdrawn.

Order discharged and motion withdrawn.

RESULTS OF 1963 ELECTION

*Motion No. 154*—**Mr. Caouette:**

That an order of the house do issue for a return of the complete results of the general election in Canada on April 8, 1963, showing, for each constituency by provinces, the total votes cast for each candidate.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, may I move the motion in the name of the hon. member for Villeneuve?

[*Text*]

**Mr. Pickersgill:** Mr. Speaker, I wonder whether, in a non-controversial way, I could raise a point of order with respect to this motion. This is a document which has to be tabled under a statute of the parliament of Canada. Therefore it seems to me that the house would be making itself rather ridiculous by ordering the production of something that the law of Canada has ordered. I am informed by the chief electoral officer that this document is being printed and will be ready between December 15 and January 1, and the law will be complied with with respect to its tabling. In the circumstances I suggest that we should not pass the motion.

**Mr. Speaker:** Does the hon. member on behalf of the hon. member for Villeneuve—

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I accept the suggestion of the Secretary of State, but I do not agree with him when he says that this notice of motion is ridiculous. Perhaps it was a way for the hon. member for Villeneuve to expedite matters.

*Inquiries of the Ministry*

[*Text*]

**Mr. Speaker:** In the absence of the hon. member this motion stands.

Motion stands.

LEGAL DOCUMENTS ISSUED AGAINST HAL BANKS

*Motion No. 155*—**Mr. Woolliams:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of each and every information laid under the Criminal Code of Canada on or before October 31, 1963, against Hal C. Banks, together with any other legal documents issued or served on the said Banks in connection with the information or charges in question.

**Mr. Pigeon:** Mr. Speaker, I should like to move this motion, seconded by the hon. member for Grey-Bruce (Mr. Winkler).

Motion agreed to.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, while we are still on notices of motions for production of papers, I should like to draw your attention to the fact that, about three weeks ago, an order of the house was adopted asking the Postmaster General to table certain documents. Now, that has not been done as yet and, since the motion was agreed to three weeks ago, could the minister give some explanation for the delay?

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, as soon as the information is available, it will be tabled.

[*Text*]

## DEFENCE PRODUCTION

CONSTRUCTION IN CANADA OF SUBMARINES FOR CANADIAN NAVY

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the fact that cancellation of the frigate program will result in the laying off of up to 10,000 Canadians in the shipbuilding and related industries, will the government reconsider its decision to purchase three submarines outside of Canada and launch its own submarine building program in our country, as this type of warship can be built efficiently by our Canadian shipyards?

**Hon. Lionel Chevrier (Acting Prime Minister):** I am grateful to the hon. member for having given notice to the Prime Minister's office that he intended to ask this question. I presume that it is based on a purported statement by the president of Davie Shipbuilding Limited appearing in this morning's



*Gazette*, and which would appear to be an estimate on the part of the individual quoted as to the number of personnel who might have been employed if the general purpose frigate program had been continued.

It is a fact, however, that Canadian shipyards will get substantial benefit from the $110 million shipbuilding program announced by the Minister of Transport and the $50 million program forecast by the Minister of Mines and Technical Surveys. The Minister of National Defence has explained to the house the reason for the cancellation of the frigate program. He has explained also to the special committee on defence the reasons for the purchase of the three submarines from the United Kingdom. I have nothing to add to what he has said in this regard.

In so far as a possible submarine construction program in Canada is concerned, the Minister of National Defence also told the defence committee yesterday that we are now undertaking a thorough study of our future naval requirements, and that once those have been determined it will be the policy of the government to undertake production in Canadian yards.

**Mr. Balcer:** May I ask a supplementary question. Is the minister aware that the programs that have been announced by the Minister of Transport and by the Minister of Mines and Technical Surveys were programs that were already drafted under the previous administration, in great part, and that the abandonment of the frigate program and the buying of submarines outside of Canada is going to be a tremendous blow to employment in the shipyards of Canada?

**Mr. Chevrier:** I thought this was a supplementary question that was being directed to me, but I note now that it is a statement. It is not a fact, let me assure the hon. member, that this program was prepared by the former administration. The former administration had something to do with the 40 per cent aspect of the program—

**Mr. MacEwan:** "Something to do;" that is generous.

**Mr. Chevrier:** —but the program announced by my colleagues, the Minister of Transport and the Minister of Mines and Technical Surveys is an entirely new program.

**An hon. Member:** No, it is not.

**Mr. Chevrier:** These programs, as my two colleagues have indicated, will provide a tremendous amount of employment for the shipyards of the country.

## SUGAR

REPORTED DIFFERENCE BETWEEN U.S. AND CANADIAN PRICES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I should like to direct my question to the Minister of Justice. Is the minister aware that a five pound bag of sugar in Canada now costs the housewife 95 cents, while advertisements in United States newspapers show the same product selling in the United States for 49 cents? I should like to ask the minister whether the government is making any study of the reason for this tremendous disparity in price if, as the Prime Minister claims, the price in Canada is largely set by the world price. If such a study is being undertaken, what is the answer?

**Hon. Lionel Chevrier (Minister of Justice):** I am glad the hon. member has posed that question. I can assure the hon. member that it has caused me and my two colleagues who are particularly interested in this problem, namely the Minister of Finance and the Minister of Trade and Commerce, a great deal of concern. I can assure him also that we are giving the matter careful study. I hope it will be possible to say something within the next few days.

**Mr. Douglas:** May I ask a supplementary question. Could the spirit of Hyannis Port be extended to asking the United States how they keep the price of sugar at half what it is in Canada?

**Hon. Walter L. Gordon (Minister of Finance):** Perhaps I might answer that question in a preliminary way.

**Mr. Muir (Cape Breton North and Victoria):** Here is a sugary answer.

**Mr. Gordon:** This will not be a sugary answer; I hope it will be a factual one. When the statement is made in the next few days, to which the Minister of Justice referred, I expect it will include a description of the different ways in which sugar has been purchased over the years in the different countries. I am sure that will explain the question the hon. member has asked.

**Mr. Douglas:** May I ask the Minister of Finance a supplementary question. Will it indicate whether the government of Canada is prepared to adopt some of the methods other countries have used?

**Mr. Gordon:** It will indicate the advantages and disadvantages of the different purchasing methods.

*Inquiries of the Ministry*

## ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO DELAY IN EXECUTION OF WARRANT

On the orders of the day:

**Hon. Paul Martineau (Pontiac-Temiscamingue):** I should like to ask the Minister of Justice a question relating to the answer given to part 4 of question 1,598 given by the parliamentary secretary. Will the minister say who directed the Royal Canadian Mounted Police not to execute the warrant immediately against Hal C. Banks, and for what reason such a direction was given?

**Hon. Lionel Chevrier (Minister of Justice):** I think in the contribution I made to the debate yesterday I answered the question the hon. member just now put to me.

**Mr. Martineau:** May I ask a supplementary question. This question springs directly from the answer given today, so it would be impossible for it to have been answered previously. I wonder if the minister would try to give an answer to this very important question.

**Mr. Chevrier:** I took it that I had given an answer yesterday. In the answer I gave yesterday I indicated to the house that the first concern of the government was keeping the men on the ships in order to keep grain moving, and that was the reason the warrant was not executed immediately. I did not want to be placed in a position of interfering with what was being done by the trustees, who were at that time entering upon their duties. Since then instructions have been given to the Royal Canadian Mounted Police to execute the warrant. It seems to me that is an answer that should be acceptable to the house.

**Mr. Martineau:** Were such instructions given by the minister himself or by some other person?

**Mr. Chevrier:** Well, now, would the hon. member indicate to what instructions he has reference?

**Mr. Martineau:** Yes. The answer given by the parliamentary secretary to the Minister of Justice said that instructions were given to the Royal Canadian Mounted Police not to execute this warrant immediately. My question to the minister is, who gave such instructions?

**Mr. Chevrier:** The Minister of Justice did.

**Mr. Diefenbaker:** That is a gross interference.

**Mr. Speaker:** Order. This is turning into a debate. We have had enough questions, I believe, on this subject.

[*Later:*]

**Hon. Michael Starr (Ontario):** Mr. Speaker, I wish to address a question to the Minister of Justice, and ask him if he would comment on the Canadian Press story from Toronto to the effect that S.I.U. officers in Toronto claim he has betrayed them by arresting Banks, and are threatening another immediate walkout?

**Mr. Chevrier:** I have no comment to make, Mr. Speaker.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere):** Mr. Speaker, I should like to address a question to the Minister of Justice. Could he disclose to the house the reasons why the charges were not laid against Hal Banks through the ordinary channels, in the circumstances, the attorney general of the province of Quebec?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I think this question is quite in order. Normally, the procedures are taken by the attorney general of a province, as I repeated many times in this house; but in this particular case, since the affair was about a report by a federal investigator, since it was about cases concerning a federal statute, since it also dealt with suggestions made by the federal investigator, we considered it was proper to obtain the assent of the provincial authorities, which we did in the circumstances.

**Mr. Paul:** Mr. Speaker, I have a supplementary question. Were not the charges laid under the Criminal Code?

**Mr. Chevrier:** One of the charges was laid under the Criminal Code and the others, which are still under consideration, will be made under federal statutes, including the Shipping Act.

[*Later:*]

[*Text*]

**Mr. H. Russell MacEwan (Pictou):** Mr. Speaker, may I direct a question to the Minister of Justice and ask him under what authority he was acting when he suspended execution of the warrant against Mr. Banks.

**Mr. Chevrier:** Mr. Speaker, I think there is a responsibility and a duty on the part of the Minister of Justice, under certain circumstances, to act in the best interests of the public and in the common interests of the country. Having regard to the circumstances as I found them at the time I thought I was acting in the best interests of the country, in doing what I did.



**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** If I might ask a supplementary question, would the minister answer the question as to where he had any authority, after delivery of the warrant to the police, to direct them not to execute that which the court had directed? It is all very well to say "I did it because of circumstances". Tyranny always operates that way.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** Under what law did you do that?

**Mr. Chevrier:** Well, Mr. Speaker, in the first place I am not too sure I understand the implication of the right hon. gentleman's question. If he is dealing with a legal point I am not going to get into a legal argument with him on that matter. I have given the reply to the hon. member who asked the question, and I have nothing to add to it.

[*Later:*]

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to put a supplementary question.

Can the minister tell the house if he asked the province of Quebec for authorization to institute proceedings against Mr. Hal Banks, in order not to encroach on a field under provincial jurisdiction?

**Mr. Chevrier:** Mr. Speaker, since this is a jurisdiction matter, the question should be put to Messrs. Martineau and Robinette who have taken the necessary step.

[*Text*]

**Mr. D. M. Fisher (Port Arthur):** A supplementary question. I wonder if the minister could clear up for me a reference to this matter in his earlier remarks. Was a warrant issued or was a summons issued on the charge originally laid? This would explain the minister's actions more clearly than his reply so far.

**Mr. Chevrier:** The answer is that a warrant was issued on October 23.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to direct a question to the Minister of Justice.

Can the minister tell us what steps have been taken between the time when a warrant was issued for the arrest of Hal Banks and the time when he was arrested, in order to make sure that the warrant could be used when necessary?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, my parliamentary secretary replied a moment ago to that question and if the hon. member wishes to refer to *Hansard*, he will find the answer.

## PUBLIC SERVICE

### ALLEGED DISCRIMINATION AGAINST QUEBEC UNIVERSITY GRADUATES

On the orders of the day:

[*Translation*]

**Mr. Maurice Sauve (Îles-de-la-Madeleine):** Mr. Speaker, I would like to ask the President of the Privy Council a question. Could the minister tell the house whether he has recently seen an item published in the Montreal *Le Devoir*, under the title:

Ottawa: eight civil servants denounce the treatment meted out to university graduates from Quebec.

If so, what action has the government taken or intends to take in order—and I quote the text of this letter:

—that the federal state provide the means of ensuring to French Canada an honest share in the administration of public affairs, at the intermediate and, perhaps, higher levels too in compliance with its responsibility and that it be done without delay.

[*Text*]

**Mr. Speaker:** Order. The hon. gentleman has asked a long question, but I believe about 75 per cent of it was in order. The comment at the end, I did not believe, was in order. May I suggest this question be shortened considerably.

[*Translation*]

**Mr. Sauve:** Mr. Speaker, I made no comments. I quoted from a newspaper which published part of a letter.

I would like to know whether the government intends to do something to follow up that letter.

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, I am taking the question as notice and I shall answer as soon as possible.

[*Text*]

## INQUIRY FOR RETURNS

On the orders of the day:

**Mr. Heward Grafftey (Brome-Missisquoi):** I should like to address a question to the Secretary of State. In view of the fact that the next federal-provincial conference is to take place before the end of the month, will the Secretary of State guarantee to the house that all the information relating to motions 19, 22 and 33, which stood in my name and which were accepted by the government on June 26 last, will be produced well in advance of the conference? I ask this, sir, in order that all members interested in the true meaning of co-operative federalism can begin their basic studies immediately.

**Hon. J. W. Pickersgill (Secretary of State):** Well, much as I should like to give such a guarantee, I am afraid I will have to tell the hon. gentleman that we do not have a dictatorship in Canada. I will do my best to persuade—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** —my colleagues to provide the information that the hon. gentleman obviously needs for his enlightenment.

**Mr. Grafftey:** May I ask a supplementary question. Why has there been this delay when the information I require obviously refers to very few documents, and returns have already been made in this house relating to motions which required a much more voluminous correspondence than I am requesting?

**Mr. Pickersgill:** As soon as orders of the day are reached, sir, I will start an inquest into this important question.

## GRAIN

### REQUEST FOR INCREASE IN QUOTAS

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** I should like to direct a question to the Minister of Trade and Commerce. Can the minister give us any reason to justify the fact that, after the opening quota, there are points that have delivered only 300 bushels, whereas many other areas have already delivered 4 bushels to the acre? Does the minister intend to leave the situation as it is, or is he washing his hands entirely of the Canadian wheat board?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** I gave an answer to this question just the other day, when I said I was sure it would be the desire of all hon. members, including the hon. member who has just spoken, that there should be the maximum movement of grain out of this country this year. In order to accomplish this it will be necessary from time to time for quotas to be irregular. I can understand why there are some points that are temporarily being squeezed by this policy. Before the end of the crop year I am sure everyone will be happy at the amount of grain moved.

**Mr. Korchinski:** Has the minister the answer for the second part of my question? Has he washed his hands entirely of the operations of the wheat board, or does he intend to interfere and ask that some of these initial quotas be raised to allow a 2 bushel delivery?

*Inquiries of the Ministry*

**Mr. Sharp:** May I say to the hon. gentleman I have no intention of instructing the wheat board to do anything that would interfere with the maximum movement of wheat from Canada this crop year.

**Mr. Arnold Peters (Timiskaming):** As a supplementary question, may I inquire—though I agree with what the minister is probably trying to do—whether any consideration is being given to leaving over to next year the income from the increased deliveries beyond the specified payment for next year's income; because it is entirely up to the department to get more grain moving to the lakehead.

**Mr. Sharp:** Mr. Speaker, I have had some preliminary talks with the Minister of National Revenue about this, but I think it will be understood by all hon. members that if some farmers withhold their deliveries there will probably be other farmers willing to deliver their wheat in their place, so I do not think there will be any holding back of deliveries as a result of the factor mentioned by the hon. member.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I think what the hon. member was trying to ask, and the minister did not catch the question, was this: If farmers co-operate with the wheat board and deliver wheat which they would normally hold over until 1964, will there be some adjustment of income tax payments?

**Mr. Sharp:** Mr. Speaker, I thought it was the desire of all hon. members to have quotas opened up as quickly as possible so that farmers could deliver their grain, and I cannot understand why there should be an argument on the other side of the question.

## LABOUR RELATIONS

### REFUSAL OF U.S. DOCK WORKERS TO LOAD CANADIAN SHIPS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs, and ask him if he would tell the house how many Canadian ships now in United States ports are being boycotted in their attempt to load or unload, either by picketing or other means?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Canadian embassy in Washington has reported the following situation: the Upper Lakes company vessel the *S.S. John Ericsson* has been boycotted in Chicago since October 4. The *S.S. Thorold*, belonging to another Canadian company, is also lying idle in the south Chicago harbour. The *S.S. Colonel Robert R. McCormick* has been boycotted since last Saturday morning, and has been unable to load. The *Mondoc* has been boycotted and the *Vandoc* has likewise been boycotted.

The embassy has been very energetic in making representations with regard to the situation, and in addition our consul general in Chicago has been in touch with the regional office of the national labour relations board in Chicago.

On Monday, acting on a charge filed by a Chicago stevedoring contractor, the national labour relations board opened an investigation into unfair labour practices by the seafarers international union of North America, the parent union of the S.I.U. of Canada. The S.I.U. of North America has been charged in the complaint with engaging in a secondary boycott, an illegal proceeding under United States labour legislation, and we are advised that the decision of the board with regard to this matter will be forwarded to Washington very soon.

While I am advised that the outcome of this case may not necessarily affect the situation as a whole, it is suggested that it may have an important bearing. My hon. friend may be assured that continuous representation and contact exist between the Canadian embassy, the state department and the department of labour in the United States.

**Mr. Starr:** And it is cordial?

### SHIPPING INDUSTRY—REVOCATION OF APPROVAL RESPECTING VACATION PAY ARRANGEMENTS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I should like to ask the Minister of Labour whether he can reply to my question of November 1, when I asked him about the vacation fund which was in the hands of the S.I.U., and whether it had been turned over as yet to the employees.

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, my understanding is that the S.I.U. vacation fund is being liquidated as quickly as possible. At present the trustees have the authority to approve payments with respect to the vacation fund. My further understanding is that those seamen who have not presently received their vacation pay will receive it prior to the end of the shipping season, or as soon as possible. However, this matter is under investigation both by the trustees and by the Department of Labour and I hope to have a further opportunity to make a complete report later.

**Mr. Starr:** A supplementary question. Has this fund been turned over to the employers, who would dispense it to the employees?

**Mr. MacEachen:** The Department of Labour issued a directive that the funds be returned to the employers by the S.I.U. Certain steps in that direction have been taken, but at present the point under investigation is the extent to which the directive has been complied with, and whether in the circumstances, because of certain bookkeeping arrangements, the directive could be fully complied with. That is now being investigated by officials of the department.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question. Could I ask the minister whether any orders or regulations have been issued under section 18 of the public trusteeship legislation?

**Mr. MacEachen:** No, Mr. Speaker.

**Mr. Douglas:** Could I ask the minister, when such orders are passed, whether they will be tabled in the house?

**Mr. MacEachen:** I would be glad to undertake to table any such regulation, Mr. Speaker.

## PRIVILEGE

### MR. LANGLOIS—INFORMATION RESPECTING OPERATION OF GRAIN EXCHANGES

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I rise on a question of privilege. I was going to take it up at the opening of the house today, but since it stems from the question period I thought I should wait until this time to present it. It has to do with a question of mine which was answered by the Secretary of State on Monday, November 4, relating to the grain exchanges. My question was:

1. What responsibility, if any, has the federal government for the licensing or control of operations of the (a) Winnipeg grain exchange (b) Montreal grain exchange, and (c) Toronto grain exchange?

2. What are the functions of the above mentioned grain exchanges and, is there any federal control over prices set by these exchanges?

3. If federally licensed, on what date did each exchange commence operation, and what agency granted the licence?

The answer given was:

1, 2 and 3. The federal government has no responsibility in relation to the operations of grain exchanges.

This is a wonderful Pontius Pilate attitude on the part of the government, but it does not solve the problem. I was wondering if the Secretary of State could tell me how we could get information on this matter for the people of the country. Are we going to use the R.C.M.P., or is the Minister of Agriculture going to institute a royal commission to investigate their proceedings; because we all know they are robbing the people blind in this country. It is the government's attitude at the moment which I decry in not giving answers to questions on the order paper.

**Mr. Speaker:** Order. I regret to say once more it is my duty to find whether there is a prima facie case of privilege, and it seems to me quite evident there is no prima facie case of privilege, no matter what there may be in other directions.

**Mr. Langlois:** Mr. Speaker, how can I get the answer? The minister says it is not his responsibility, and I have been looking for it for the past couple of weeks.

**An hon. Member:** Vote against them for a change.

[*Later:*]

**Mr. Langlois:** Mr. Speaker, I have a question for the Minister of Justice. Seeing that I cannot get an answer from the government to the question I asked a while ago, would the Minister of Justice tell me whether I could obtain an answer from the Governor General or, if not, from the Queen, since she has total authority?

[*Later:*]

**Mr. Langlois:** Mr. Speaker, I hope the government does not think I am nagging on this question, but I have been on it for a month and still have not had an answer. I should like to ask the Minister of Agriculture whether he could give me the answer, and whether he could investigate the grain exchanges of Canada, which have become the sacred cow of India; no one wants to touch the matter. Did he inquire into that?

**Mr. Speaker:** The hon. member for Lapointe.

**Mr. Langlois:** On a point of order—

**Mr. Speaker:** I regret to interrupt the hon. member for Megantic, but he has had considerable leeway this afternoon and this is no time to argue. If he wishes to place a question, let him place his question. The minister declined to answer the last question from the hon. member, so that is the end of it.

**Mr. Langlois:** On a point of privilege; he might not have answered the last one, but the people of Canada have been waiting for a long time for such an answer.

**Mr. Speaker:** There is no point of privilege in the statement of the hon. member.

*Inquiries of the Ministry*

## AGRICULTURE

REQUEST FOR STORAGE SPACE IN MONTREAL FOR ONTARIO CORN

On the orders of the day:

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, yesterday the hon. member for Elgin asked me a question as to whether I had received a telegram from the president of the association for the development and protection of eastern agriculture. I did not have the information at that time and said I would look into the matter.

The telegram was received on November 1 and was answered the same day, acknowledging the wire and indicating that I was referring these matters to the national harbours board for attention, and that I would request the board to get in touch with the president of the association directly. I am informed the board has been in communication with the president of the association and is attempting to meet the problem raised by the hon. member.

TOBACCO—REQUEST FOR ESTABLISHMENT OF SUPPORT PRICE

On the orders of the day:

**Mr. J. A. McBain (Elgin):** Mr. Speaker, I wish to direct a question to the Minister of Agriculture. On October 4, as recorded at page 3204 of *Hansard* for that date, I asked the minister whether his department was considering putting a price support on the 1963 crop of flue cured tobacco, and he replied that they were giving consideration to this request. Would he follow the customary procedure of announcing today in the House of Commons the deficiency payment for tobacco, as was announced outside this chamber to the farmers of Simcoe by the hon. member for Norfolk?

**Hon. Harry W. Hays (Minister of Agriculture):** Yes, the stabilization board has acted upon the request. I did not know it had to be announced in the house, but if it has I shall be glad to do it tomorrow.

QUEBEC—LOSS OF BUTTER IN FIRE

On the orders of the day:

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, I should like to ask the Minister of Agriculture whether the loss of 8 million pounds of storage butter as the result of a fire yesterday in St. Denis sur Richelieu is covered by insurance under the stabilization board, or is this a complete loss?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, in answer to the hon. member's question may I say it was not 8 million pounds but 6 million pounds of butter and butter oil stored at St. Denis. We do not yet know the exact amount of the loss. Salvage operations have commenced, and we will not know for a few days. It is not insured.

## FINANCE

REPORTED REQUEST FOR APPROVAL OF BANK MERGER

On the orders of the day:

**Mr. Donald MacInnis (Cape Breton South):** Mr. Speaker, I wish to direct a question to the Minister of Finance. Is it correct that the Toronto-Dominion Bank and the Bank of Nova Scotia have asked for governmental approval for a merger?

**Hon. Walter L. Gordon (Minister of Finance):** No, Mr. Speaker.

## INCOME TAX

REPORTED EVASIONS BY MEMBER FOR NOTRE DAME DE GRACE

On the orders of the day:

**Mr. J. H. Horner (Acadia):** Mr. Speaker, I would like to direct a question to the Minister of National Revenue, and in his absence perhaps the Minister of Justice would take it as notice as Acting Prime Minister. Has the Department of National Revenue made a study of the tax evasions set out more clearly in the MacKay report concerning the hon. member for Notre Dame de Grace?

**Hon. G. J. McIlraith (Acting Minister of National Revenue):** Mr. Speaker, I wonder—

**Mr. Horner (Acadia):** Surely, Mr. Speaker—

**Mr. Pickersgill:** He is the acting minister.

**Mr. McIlraith:** I wonder could I take this question as notice.

[*Later:*]

**Mr. Horner (Acadia):** Mr. Speaker, I should like to address a question to the Minister of Finance. Would he study the MacKay report and the income tax loopholes referred to in the report to see whether or not Bill No. C-95 covers the matter, before it is passed in this house?

**Hon. Walter L. Gordon (Minister of Finance):** I do not think this comes under my jurisdiction, Mr. Speaker.

## SHIPPING

GASPE—REQUEST FOR PROVISION OF SHIPS TO CARRY LUMBER

On the orders of the day:

[*Translation*]

**Mr. Gerard Ouellet (Rimouski):** Mr. Speaker, my question is intended for the Minister of Transport.

There will be 700 more workers unemployed next week in the Gaspe peninsula if the saw mills are unable to obtain ships in order to forward eight million feet of lumber to Great Britain.

Has the minister taken the necessary steps to cope with the situation by finding shipowners willing to send their ships to the dangerous wharves of the Gaspe peninsula?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I would like to thank the hon. member for giving me notice of this question. The hon. member for Gaspe (Mr. Cyr) drew the matter to my attention last night, and I also saw the rather thorough story on the subject matter in *Le Devoir* this morning.

I have arranged with the shipping operations branch of the department to render what assistance it can. At this stage I am not sure what assistance can be given, because it would appear from the information I had this morning that one ship was available to move this lumber but it would require the assistance of a tug. Unfortunately the department does not have a tug available, and it was a matter of where a tug could be found to assist the one ship, and possibly other ships to move the lumber.

## AIRPORTS

EDMONTON—MURAL ON WALL OF TERMINAL BUILDING

On the orders of the day:

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, I have a question for the Minister of Transport. I wonder whether the minister has seen the new mural in the main lobby of the international airport and, if so, would he give serious consideration to my suggestion that we hang the painter instead of the painting?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, the minister has not seen the mural but he has heard a bit about it. I think it would be wise if the Minister of Transport did not set himself up as a judge of works of art.

## HOUSING

C.M.H.C.—REQUEST FOR APPOINTMENT OF FRENCH SPEAKING VICE PRESIDENT

On the orders of the day:

[*Translation*]

**Mr. Gerard Chapdelaine (Sherbrooke):** Mr. Speaker, in the absence of the Minister of National Revenue (Mr. Garland), may I direct a question to the Acting Prime Minister?

Could the minister tell us if it is true that pressure was brought to bear on the president of the Central Mortgage and Housing Corporation, Mr. Stewart Bates, by the French speaking ministers in the government to obtain that a French Canadian be appointed to either one of the vice presidencies on the executive committee of the Central Mortgage and Housing Corporation?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, since that question comes under the jurisdiction of the Minister of National Revenue, I consider it as notice and will refer it to him.

[*Text*]

## TRANSPORT

QUEBEC—PROPOSED TUNNEL BETWEEN ST. LAMBERT AND MONTREAL

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I put a question to the Minister of Public Works?

In order to enlighten the citizens of St. Lambert and Montreal, could the minister tell the house whether it is true that a tunnel is to be built between Notre Dame street and the south shore of the St. Lawrence?

**Hon. J. P. Deschatelets (Minister of Public Works):** Yes, Mr. Speaker, under the St. Lawrence seaway.

**Mr. Pigeon:** Mr. Speaker, may I ask a supplementary question?

Can the minister tell the house what will be the share of the federal government for the building of this tunnel?

**Mr. Deschatelets:** This is a major priority project, but the contributions of the federal and provincial governments and of the city of Montreal have not yet been decided.

[*Text*]

## FINANCE

MEASURE VALIDATING ORDER IN COUNCIL

The house in committee on Bill No. C-88, respecting an order of His Excellency the Governor in Council entitled the surcharge on imports order, and to restore certain rates of customs duties and tariff benefits expressed to be withdrawn thereby—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 1.

**Mr. Chevrier:** Because a considerable amount of time has elapsed since this bill received second reading, hon. members will perhaps expect me to make a short statement at this stage.

The bill has several related purposes. The first is to confirm the surcharge on imports order which was passed by the governor in

council on June 24, 1962. That order was made on the basis of section 4 of the Customs Tariff and section 22 of the Financial Administration Act. The order provided, in effect, that the general tariff, instead of more favourable tariffs, should apply to certain commodities when imported into Canada but it then went on to remit the duties on such commodities to the extent necessary to bring it about that no duty was, by the first part of the order, increased by more than 15, 10 or 5 per cent, depending upon the commodity.

The second purpose of the bill is to restore, effective April 1, 1963, the more favourable tariff rates above referred to.

The third purpose is to limit the effect of future like orders to a six months period unless during that period any such order is approved by parliament.

I do not wish to keep alive a debate which was somewhat acrimonious and, I think, rather irrelevant, as to the nature of opinions that were given or not given concerning the validity of the surcharge on imports order. In describing the debate as somewhat acrimonious and irrelevant I accept my share of responsibility in the matter. We would do well, I think, to return now to what the Minister of Finance said in announcing that a measure of the nature of Bill C-88 would be introduced. He said that the legality of the order had been challenged and the matter was before the courts; that this posed a difficult problem, because in many cases those who paid the surcharges had passed the amounts on to their customers, and those customers perhaps to their own customers, and so on. He said it would not be possible to unscramble a situation of this kind and that one effect of the proposed legislation would be to prevent any massive attempt at obtaining refund of moneys in fact paid by now unidentifiable Canadians. In addition to this consideration, that the people who recovered the money might not be those actually entitled to it, there is the other very important consideration that the country has budgeted on the basis of this money, and we need it.

That this bill is, in the circumstances, at least a wise precautionary matter, I am sure the majority of the house will agree. That the fear of the government is not illusory is borne out by the fact that there are already pending in the exchequer court actions for the recovery of many million dollars, with more to be expected should these succeed.

**Mr. Diefenbaker:** How many actions have been brought?

**Mr. Chevrier:** I think I can give that figure. There are approximately ten at the moment. These actions were taken, these suits were brought, by serious and competent counsel who do not lightly lead their clients into litigation of this nature.

As to opinions, I only want to say this: When the order was first passed there was an oral opinion, and having regard to the urgency with which the matter was regarded by the then government, it is perhaps not surprising that that was so. But oral opinions are illusive things and, in point of conclusiveness, it is difficult to nail them down afterwards. I have no doubt that the government believed that, after the discussion between the Departments of Finance and Justice in the course of which the oral opinion was expressed, they were warranted in assuming the risk, or they may even have been convinced there was no risk. I have made it clear that I do not share that view but I readily concede that the government acted upon it. As to a written opinion, I can only repeat that there is absolutely nothing upon the files of the Department of Justice. I understand that the deputy minister did give the former minister of justice some material to use in debate quite some time after the order was passed. This is common practice. The nature and contents of that communication, however, in so far as I am concerned, rest between the deputy minister and the former minister of justice in the same way that I hope confidential communications between myself and the deputy minister will still rest between us, after I have left this office. I have not seen it and have not inquired into it because I would regard it as confidential and not subject to disclosure to a new administration. Whatever the communication was, it is obvious that it was confidential material prepared for the minister in a debate on a politically controversial matter and was never considered as material that should be retained upon a file.

In summation we say that, at the least, there are doubts about the validity of the order and these doubts compel that so important a matter should now be put at rest by this bill.

If I may, I should like to ask my colleague the Minister of Citizenship and Immigration to move:

That in clause 1 of C-88 the word "validly" in line 9 be deleted.

**Mr. Favreau:** I so move.

**Mr. Nowlan:** Certainly the amendment which has just been moved to clause 1 will not be opposed by this side, because I have precisely the same proposal in draft form on my desk. In fact, I intended to move a similar amendment myself later this afternoon.

I suppose that since the experience of Saul of Tarsus on the road to Damascus we have

not seen a greater conversion than has been evident on the part of the hon. gentleman today. We know that Saul kicked against the pricks and that he saw a great light. I am not sure whether the Minister of Justice has seen a great light or whether it was the pricks, in his case, which led to his conversion, but I agree with him that this has been a subject of acrimonious discussion and that there would be no purpose served in reviving it at this time. I must say, however, that the acrimony was not engendered from this side of the house, or rather from the side on which we then sat but, rather, that it was produced by the various members who criticized our action on that occasion.

I shall not go into the subject at great length this afternoon. As the minister has said, this action was taken at the time of an exchange crisis. The government acted with decision and authority. Undoubtedly, it acted under some degree of pressure. Whether or not there were opinions at that time, written or oral—the minister says, now, there was an oral opinion and, obviously, no government would have taken action of that kind until it had received an opinion which approved thereof—is not at this point a matter of primary concern. But since this is, I assume, the last occasion on which this matter will be discussed in the house, I will refer to a statement made by my former colleague who preceded me as minister of finance, the Hon. Donald Fleming. In referring to this matter—and the reference will be found on page 291 of *Hansard* of October 9, 1962—he had this to say in connection with the validity of this order:

> My first point is that we have proceeded on the advice of the law officers of the crown in the proper manner—

**Mr. Knowles:** Was he not minister of justice, then?

**Mr. Nowlan:** He was minister of justice; that is correct. Let me continue the quotation.

> —and the advice we have is that the measures which were introduced by orders in council in June, which took effect one minute after midnight on June 25, are proper and legal; that the government had full power to proceed to pass those orders in council, and that those powers so exercised were conferred upon the governor in council by parliament. There can be no question about the validity of those orders in council.

That was a statement by the then minister of justice who had been minister of finance at the time the orders were passed. During all the various questions of privilege that were raised and the discussion of the motion to produce the documents put forward by the hon. member for Essex East, now Secretary of State for External Affairs, I never heard anyone suggest that this action which was taken in the interests of Canada was not good and proper. The only questions I have heard raised are (a) whether it was done on the advice of the law officers of the crown and, (b) whether it was done under the authority of an act of parliament.

Some reference has been made, of course, to the action taken by a preceding government in 1947 and the fact that that government afterwards brought in legislation to validate the action it had taken. I suggest there is no analogy whatsoever between the action of the government in 1947 and the action which was taken by the government of which I had the honour to be a member, in connection with the so called surcharge order.

What happened in 1947 was a very crude and wrong thing from the standpoint of strict legality. One night in October a voice came on the air. Undoubtedly the voice was that of the then minister of finance, the Hon. Douglas Abbott, although there was no proof and no identification whatsoever. This voice then proceeded to say: As of midnight tonight we are increasing the excise taxes by X per cent. Bang, that was it. Without any authority of parliament the act was changed over the radio. This voice said: Taxes from here on are going to be Y per cent instead of X per cent as authorized by the statute.

That was in October. The following March a bill was brought into parliament to validate that action. I have the dates here, although I do not know that they are too important. The validating legislation was brought into the house on March 28, I believe, to validate something which had been done six months before. The bill said, of course, that these taxes were to be retroactive to the date when this voice came over the radio.

It has been argued that this is similar to a budget speech in that when the minister of finance brings in his budget he says that certain taxes are going to be imposed and they become effective as of that night. I suggest that there is no analogy whatsoever between the two situations. A budget speech is brought in on a message from His Excellency the Governor General. This is followed by the resolutions. Then there is a motion to go into supply. Finally there is a motion to go into ways and means. Very properly there are many complicated and technical mechanisms whereby parliament safeguards the right to increase taxation.

I am not suggesting that what was done in 1947 was not necessary at that time. I am not criticizing the action that was taken, but I do say it had no reference or relevance whatsoever to the action taken by the government of the present Leader of the Opposition and by the then minister of finance. We acted on the advice of the law officers of the crown,

that we were proceeding in accordance with two statutes which had been passed by parliament, one, the Customs Tariff Act, and the other the Financial Administration Act.

There can be no analogy whatsoever between the action taken under those statutes and the action taken back in 1947, possibly because of an emergency. As I said, I am not questioning the advisability of that action at all. However, there is no question whatsoever of any analogy. The fact is that it was certainly necessary for parliament to validate that action because it resulted in a substantial increase in taxation over and above the rates prevailing, and there was no provision whatsoever for doing so in the taxation statutes. Obviously that action had to be validated by statute. It was done posthumously, six months later, and made retroactive to the night when the radio speech had been made.

Some misapprehension and discussion may have been caused in the present instance by the question of whether there was or was not an opinion. A motion was made by the hon. member for Essex East that the opinion, if there was an opinion, be produced. The minister and the government of that day took the position, and I am sure it is one which would be concurred in by the present Minister of Justice, that it would be improper to produce an opinion from an officer of the crown to his minister because, once you start producing such documents, the whole doctrine of confidentiality breaks down and it would be impossible for ministers to obtain the frank and confidential advice of their officers, and vice-versa.

There are precedents which have been exercised by ministers heretofore in such circumstances. I can think of at least two. When the Hon. Mr. Guthrie was minister of justice in the government of Lord Bennett, as he later was, he was asked to produce an opinion in the House of Commons. He refused to do so but he did obtain a letter from the deputy minister of justice, which he read in parliament. It was not the official opinion which he had obtained some time before but a letter which was given the minister for the purposes of parliament. There may be some argument as to what the technical difference may be between the two. In the one case the minister says that the opinion is confidential and he refuses to produce it. In the other case the minister says that parliament demands it and it is in the public interest for parliament to be informed. That is one precedent.

There is another one nearer to home so far as my hon. friends are concerned. When the right hon. Mr. Ilsley, now chief justice of Nova Scotia, was minister of justice—I might say in passing that he is a former member for Digby-Annapolis-Kings—he also produced a letter from a deputy minister advising of action which he had taken, not giving the opinion itself but giving a summary and stating the opinion of the law officer that the action was valid.

You will remember, Mr. Chairman, that the hon. member for Essex East moved for the production of this opinion. A debate arose thereon on orders of the day, and the debate was not terminated. Before it could be, some other things happened. But the minister of justice at that time was prepared to produce for parliament a letter from the deputy minister for the information of parliament setting forth his opinion on the action which had been taken by the government of the day with respect to surcharges. I have here the opinion of the deputy minister addressed to the then minister of justice with respect to the surcharge on imports order. If the debate at that time had been continued this opinion would have been produced, and since a question has been raised whether or not an opinion was obtained from Department of Justice I want to put it on the record now for the information of parliament. It is dated November 16, 1962, is addressed to the then minister of justice and says:

> You have asked me to furnish you, for the information of parliament, with a statement of my views on the validity of the surcharge on imports order, P.C. 1962-902 of June 24, 1962.
>
> Section 4 of the Customs Tariff, R.S.C. 1952, chapter 60, empowers the governor in council by order to withdraw rates of customs duties more favourable than the general tariff, and to withdraw the benefit of any tariff more favourable than the general tariff. These powers are unrestricted, and the effect of their exercise is to produce an increase in tariff rates.
>
> Section 22 of the Financial Administration Act, R.S.C. 1952, chapter 116, empowers the governor in council, on the recommendation of the treasury board whenever he considers it in the public interest, to remit any tax, fee or penalty. The section defines a tax as including any tax, impost, duty or toll payable to Her Majesty, imposed or authorized to be imposed by any act of parliament and provides, *inter alia*, that a remission thereof pursuant to that section may be total or partial, and may be granted in any particular case or class of case and before the liability therefor arises.
>
> I am of the opinion that section 1 of the surcharge on imports order withdraws rates and benefits as authorized by the Customs Tariff, and that section 2 partially remits the resultant tax increases as authorized by the Financial Administration Act. In my view, therefore, the surcharge on imports order is a valid exercise of the powers conferred on the governor in council by these two statutes.

This is signed by Elmer A. Driedger, deputy attorney general, and I want to table this document at this time. So far as the record is concerned, I suggest that clears up any doubt. We are not referring now to any opinion which may have been given previously. That is not mentioned in the letter. This is a letter which was produced some

time later, it is true, for the benefit of the House of Commons, and due to circumstances over which we had no great control it was not produced. I wanted to do so at this time.

I do not think there is very much more one can say at this time. I can appreciate the Minister of Justice feeling, on the advice of his officers, that this legislation will facilitate the operation of the government and the department in dealing with litigation. He says that is one reason why he brought in the bill. We are not going to debate that at this time.

I do want to state very emphatically again that in our opinion what we did was based on the statutes of the country, was authorized by parliament and was not only legal but also entirely proper in every way, shape and form and was the proper action to have taken at that time. We have no apologies and no regrets whatever to utter in that connection.

I would have moved certain amendments. I had two, as a matter of fact, which I was going to move because I thought there was an imputation in one section which was unnecessary and unwarranted. I was going to ask this committee to strike these from the record. In view of the statement made by the minister, in view of his action in taking out at least one word which was repugnant to us, the word "validly", I shall not move these amendments. If that word "validly" were allowed to stand there would be the imputation that what we did was invalid, and that certainly could not be accepted by us for a moment.

In view of this action, I do not intend to go further with the amendment. I am glad the minister has taken the position he has. I hope that this will finally clear up this matter, which has been the subject matter of some acrimony and some lengthy discussion. I hope it is clear in the record now that I have said, as my predecessor did before me, that we were acting at all times on the opinion of the law officers of the crown. I hope that the matter will be laid to rest after the passage of this section.

**The Chairman:** Is it my understanding that the hon. member for Digby-Annapolis-Kings is filing this document with the Clerk at the table?

**Mr. Nowlan:** Yes.

**Mr. Knowles:** Can that be done while we are in committee?

**Mr. Nowlan:** It is on the record; I read it.

**Mr. Pickersgill:** I think there might be unanimous consent in order that it might be done, because I have some doubt about the regularity of the procedure.

**Mr. Knowles:** Mr. Chairman, like the hon. member for Digby-Annapolis-Kings, I have no desire to reactivate the acrimony that surrounded this issue in the last parliament and in the earlier part of this parliament. I hope that I succeed at least as well as the hon. member for Digby-Annapolis-Kings did in not raising issues that will reactivate that acrimony. I am not so sure my hon. friend's reference to Mr. Abbott, and his reference now to the question of whether or not there was an opinion last year from the deputy minister of justice, fulfilled the hope expressed by the hon. member for Digby-Annapolis-Kings.

Even so, Mr. Chairman, before we pass this legislation I think the house has no alternative but to face up to the fact there are a few things that should be said. I was, of course, interested in the suggestion made by the hon. member for Digby-Annapolis-Kings that in his view there is all the difference in the world between what Mr. Abbott did in 1947 and what the last Conservative government did in 1962. When he proceeded to emphasize the difference, he made quite a point of the fact that in 1947 a voice came on the air, which purported to be the voice of Mr. Abbott. The hon. member said that we had to assume it was his voice. The only comment I wish to make is that science is wonderful. Fifteen years later a voice came on the air again to tell us of certain actions, and the only difference was that in the meantime television had been invented and we not only heard the voice but we saw the face. It was the face of the then prime minister, the present Leader of the Opposition. We recognized his face and we recognized his voice. There was no doubt about it.

However, in both instances we were being advised by the then latest means of communication that the government of the day was imposing certain tax increases. I still think that the hon. member for Digby-Annapolis-Kings and his colleagues have a real task on their hands in trying to deal with the proposition that the taxes in 1947 were at least approved by parliament later, whereas the taxes imposed on June 24, 1962, were never approved by parliament, except in so far as they are now before us for retroactive approval.

**Mr. Nowlan:** May I ask the hon. member if they were not approved by parliament when the statutes were passed some years before?

**Mr. Knowles:** That is the point I am coming to right now. I suggest that the hon. member has indulged in argument by assertion, when he said that the Customs Tariff and Financial Administration Act provided

a valid base for the surcharge order in council. If he can argue by assertion, so can I. My reading of these two statutes, particularly my reading of the Financial Administration Act, leads me to believe that the government had a right under the Customs Tariff to make certain changes increasing the rates of tariff, but it had no right under the Financial Administration Act to make the kind of reduction it did, which had the net effect of simply increasing taxes.

It is for this reason the matter is before the courts. The hon. member for Digby-Annapolis-Kings argues one way and I argue another. He may be a lawyer, while I am not; but I suggest to him the case has been taken before the Exchequer Court of Canada because there is a serious doubt in the minds of very eminent counsel as to the validity of the order in council. We all know how that order in council was composed. In the first place, reliance was placed on the Customs Tariff, where there is authority by order in council to increase the rates of duty by transferring goods from one class of tariff to another. Although that right is in the Customs Tariff, there is no suggestion that the government, by order in council, can arrive at any intermediate rate of tariff. You can move goods from one class to another; in fact, you can make that movement among three different categories. However, there is no suggestion that you can, by order in council, fix some other rate.

In so far as section 22 of the Financial Administration Act is concerned, surely it is quite clear that it is a provision for the remission of taxes or duties or penalties which have been unfairly collected. There is no suggestion that this is a statute that can be used as a basis for cutting down a tax imposed in some other way. Surely, the part of section 22 which requires the publishing in the public accounts of every such remission of more than $1,000 makes it clear that what was envisaged in that section was individual remissions of the kind that have been published from year to year in the public accounts.

Now, my good friend from Digby-Annapolis-Kings and I could go on arguing this matter as long as we have the right to speak. I do not suppose I could convince him any more than he could convince me. However, there is doubt about the validity of the order in council, and that doubt is confirmed by the fact that the case has been taken to the exchequer court. I think it is unfortunate it has not been possible for the court to make a decision. We have had arguments about it here and in the last parliament. We differed, depending on where we were sitting in the house. I think it is unfortunate the court has not had a chance to make a decision. One of the by-products of the passage of this legislation will, I suppose, be that the case will disappear from the exchequer court list.

Another very interesting question has arisen here. It arose on August 1 when we had the matter before us. The Minister of Justice told the committee then that the opinion of the deputy minister of justice was that there was some doubt about this order and therefore this legislation should be introduced. We have had it again today. The Minister of Justice tried to play this in a very low key, and I appreciate what he is doing. Still, he told us that there was an oral opinion from the deputy minister of justice to the previous government that this order in council was valid. He told us that he has an opinion from the deputy minister of justice that there is some doubt about it, and that this piece of legislation should be introduced.

This raises some rather serious questions as to the relationship between the government of the day and the Department of Justice. Frequently in this place we are told that such and such is the opinion of justice. It begins to look as though the government of the day gets from justice the opinion it wants. The hon. member for Digby-Annapolis-Kings has read into the record a letter from the deputy minister of justice to the then minister of justice, and he gives it now as the authority, presumably, that the government of the day had for believing that this order in council was valid. This letter the hon. member has read to us today was dated November 16, 1962. The order in council was passed on June 24. I listened carefully to that letter, and it does not, unless I missed something, say that Mr. Driedger thought this on June 24. Mr. Driedger was giving to the then minister of justice arguments that he could use in the debate in the House of Commons. He was giving those arguments to the then minister under date of November 16, 1962.

The present Minister of Justice very suavely and very nicely today said these things should not be produced. He was not going to ask for the letters given to the previous minister, and he would not want us to ask for the tabling of his opinion to him. This seemed to soothe the tempers in the house. But the hon. member for Digby-Annapolis-Kings has read into the record from a document the present Minister of Justice would not give us. This seems to me to raise a very serious question about the relationship between the government of the day and the Department of Justice, particularly the deputy minister of justice. If these opinions of justice are going to mean any-

thing, if they are going to be valuable to us, surely we have got to get away from a situation where we get one opinion one month and another opinion a few months later.

We are getting these from precisely the same individual, the same person.

**Mr. Churchill:** You are going too far.

**Mr. Knowles:** I am not, sir. Is not the Elmer A. Driedger who said that the same Elmer A. Driedger who is deputy minister of justice today, and did he not give an opinion in the letter to the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) that this order in council was valid; and has not the Minister of Justice told us the same deputy minister said there is doubt about it, and therefore that legislation should be brought in?

**Mr. Churchill:** Doubt in some people's minds.

**Mr. Knowles:** No, doubt in his mind—doubt in the mind of the same person who wrote the letter which the hon. member for Digby-Annapolis-Kings gave us a little while ago. I suggest that confidentiality between a minister and his deputy minister should be maintained, but that confidentiality has been destroyed by what has taken place today, and it raises the importance of governments asking from the deputy minister, not opinions that will support what the government happens to want to do, but opinions that are objective and valid all the way down the line.

Mr. Chairman, this underlines what I have said a great many times during various debates on this last session. How much better it would have been if the government of that day had stuck with what it often said it believed in, namely the rights and supremacy of parliament. How much better it would have been if it had brought this matter to parliament.

Parliament was not meeting in June of last year when the crisis was faced and this action taken, by what I think was an invalid order. But I believe even the last parliament, made up of minorities as it was, would have been willing to give approval to the tax changes if parliament had been given a chance to do so and had been given the arguments for them. This is another case that demonstrates the supreme importance of having respect, and holding to that respect, for the rules of the house, for the traditions of parliament, and particularly for the basic principle that the government is at all times responsible to parliament as a whole.

As I say, Mr. Chairman, it seems to us we have no alternative but to support this legislation and to vote for it. If there is doubt about the order in council, then the passing of this legislation will remove that doubt, at least in so far as the actual collecting of the taxes is concerned. The other thing to do is to leave it to the courts, and if that results in a declaration that the order in council was invalid, then those who have filed their cases in the courts would get their money back. But since they are not the ones who paid it ultimately, since those who did pay it, the consumers, are not identifiable, that would be compounding the injustice that has already developed. Because of that situation we feel we have no alternative but to support the legislation to clean up the doubts and to make sure this situation does not happen again.

In that connection I want to indicate that although the hon. member for Digby-Annapolis-Kings has torn up his amendments, I still have one I intend to move when we get to clause 3. May I just say now, while we are on clause 1, that I am glad the government has put clause 3 in the bill, and that it wants to prevent this kind of thing from happening again, or at least to provide some safeguard; but I do not think the government has gone far enough.

I listened carefully to the Minister of Justice. He said one of the purposes of the bill would be that any "future like orders"—although I did not take down all of his words I took down those three—could last only for six months subject to later approval by parliament. That is not going far enough. I do not think there should be any "future like orders". I do not think in the future it should be possible to bring in an order, based in part on the Customs Tariff and in part on the Financial Administration Act, and juggle with the tax rate in the way this was done. Therefore when we come to clause 3 I will move an amendment which seeks to tighten up this legislation a bit more, so as to make sure what happened last year will not happen again.

I stress the point that here we have an example of the importance of paying attention to the letter of the law, paying attention to the principles and practices of our parliamentary democracy, and in particular paying attention to the important principle that governments should not do what they do not have authority to do, and that governments should respect at all times the supremacy and the rights of parliament.

**Mr. Churchill:** Mr. Chairman, I contemplated asking the hon. member for Winnipeg North Centre a question, but then I thought it might be better to wait until I said something with regard to some of his remarks and then, if he subsequently wishes to answer, that is his privilege. The hon. member has offered his criticism of this measure. Early in his

remarks he said there was a difference of opinion and that the hon. member for Digby-Annapolis-Kings was making an assertion. He, on his part, was similarly making an assertion, and they were poles apart and perhaps could not be reconciled.

Then he went on to deal with the situation as he sees it, and in the course of his remarks as I heard them, and I paid close attention to them, he cast a reflection on one of our senior civil servants. I have always been of the opinion that this should not be done in the House of Commons, or elsewhere for that matter, because civil servants have not the right of reply. It is all very well in the House of Commons to attack each other, but the great saving feature of the House of Commons is that we have the right of reply.

We do not have the right to reply to accusations made from some other quarters; but I think it is wholly wrong for a member of the house to cast a cloud on a civil servant, whom he named, without someone coming to the defence of that civil servant. I do so very gladly because Mr. Driedger, who has been mentioned by the hon. member for Winnipeg North Centre is a trusted servant of the crown and the opinions he gave when we were in office were opinions based on his belief and integrity—and I did not get the impression from the statement made by the Minister of Justice that Mr. Driedger gave an entirely different opinion to him.

I understood him to say there was doubt in the minds of some people, and for the removal of that doubt it might be wise to have a statute passed, such as is here before us; but I do take exception, and strong exception, to attacks on civil servants, and particularly on one who is a senior civil servant, a trusted civil servant, and who has no right of reply in this house.

I hope the hon. member for Winnipeg North Centre, who delights in lecturing us from time to time as to our duties and responsibilities, will recognize his duty and responsibility in this connection. I have the greatest pleasure in lecturing a member of that party that sits on the sidelines so often and tells us what to do, and how the party that is now in office is acting just as the former government acted, and that both are wholly wrong. A party which has little hope of ever forming a government spends a lot of time telling the rest of us what to do.

My hon. friend is a fellow-citizen of that great city where I claim citizenship, and I think he has made a mistake in the course of his remarks today in his anxiety to protect the country against faults, as he sees them, that have perhaps occurred in the past.

[Mr. Churchill.]

**Mr. Knowles:** The hon. member for Winnipeg South Centre is to be commended for making sure that there are no unfair attacks on civil servants, senior or otherwise. I thoroughly agree with him. If I made any attack, I made it on governments that seek to get from the deputy minister of justice opinions that suit their purposes. It seems to me that is what we have got in this situation.

Let me read very briefly from a statement which the Minister of Justice made in the house on August 1 this year, when speaking about this matter, as recorded at page 2932 of *Hansard*:

> I should have added that there is doubt as to the validity of the order because in the opinion of justice it should have been approved by parliament.

That, according to the present Minister of Justice on August 1, was the opinion of the Department of Justice over which the deputy minister presides, namely that this legislation should be approved by parliament. The hon. member for Digby-Annapolis-Kings today read into the record a letter dated last November 16 from the same person, the same deputy minister of justice, expressing the view that it could be supported that the legislation was based upon two statutes and therefore did not need to be approved by parliament. On one occasion the legislation did not need to be approved by parliament. On another occasion the legislation should have been approved by parliament. If that is not a case of two different governments getting from the same individual the opposite advice, I do not know what is.

**Mr. Churchill:** Mr. Chairman, may I just say this, that the hon. member for Winnipeg North Centre, in attempting to absolve himself from an attack on a servant of the crown and the civil service, has now cast a reflection on members of parliament in saying that successive governments tried to get from a civil servant the information they desired to use for their own particular purposes. This is an accusation of dishonesty which reflects upon members of parliament.

**Mr. Knowles:** The only thing that needs to be said is that the best the former government could do was to produce a letter dated November 16, whereas the order in council itself was passed on June 24.

Amendment agreed to.

Clause 1 as amended agreed to.

Clause 2 agreed to.

On clause 3—*Approval by parliament.*

**Mr. Knowles:** Mr. Chairman, before clause 3 carries I should like to move an amendment. As I understand clause 3 it imposes certain limitations on the government with respect to its powers by order in council under

the Customs Tariff. As the Customs Tariff now reads in section 4, the government, by order in council, can move goods among the various categories—general tariff, most favoured nation and British preferential—which result in rates going either up or down. As I read clause 3 of this bill it is proposed that from here on, when that power is exercised so as to increase rates of duty, it shall be valid for only 180 days subject to its approval by parliament. While I agree that it may be a good idea to limit that power to this extent, what concerns me is that it would still be possible under this legislation to pass the same kind of order in council which was passed on June 24, 1962, and for it to be good for six months. I do not think that kind of order should be possible.

I am supported in my belief that that is what could happen by the words the Minister of Justice used when he said that the purpose of clause 3 of the bill was to provide that any future like orders shall be limited by this restriction. I do not think there should be any future like orders. I do not think there should ever again be an order in council which relies on the Customs Tariff to raise the rates and then relies on the Financial Administration Act to reduce the rates to certain percentages. I think this can be corrected by putting another subclause into clause 3. I therefore move:

> That clause 3 of Bill C-88 be amended by substituting the word "subsections" for the word "subsection" in line 23, and by adding at the end of the clause, immediately following subsection (4), the following subsection:
>
> "(5) Where any order is made in accordance with the provisions of subsection (4), neither that order nor any other order shall provide for an increase in rates of customs duties and the simultaneous remitting of any portion of such duties."

In other words, this accepts the proposal in clause 3 that the right to increase duties be limited to a six-month period; but it goes one step further and says that when such duties are raised they must not at the same time be reduced to a certain extent under some other statute, as was done in the case of the order in council of June 24, 1962. The Minister of Justice said that the purpose of clause 3 was to prevent happening again what happened the last time, and I think to make sure that it does not happen such an amendment to this bill is the answer.

**Mr. Nowlan:** Mr. Chairman, I do not know what is the position of the Minister of Justice with respect to this amendment. I myself have not had time to study it. Personally, I think some amendment such as was proposed in the bill brought in by the minister would be desirable. I was prepared, and I think we were prepared, to support the section which he brought forward. What attitude he will take toward this amendment is, of course, a matter for him to determine, but as I say we were prepared to support his amendment. I think it is desirable and necessary. Without going further into the matter I might suggest that the fact that under this proposed legislation of the minister he was going to limit to six months what we did, I think the best argument possible to show that what we did was valid and proper is that the amendment would now limit it to a period of 180 days, rather than indefinitely, as it was under the original act.

**Mr. Chevrier:** I have looked at this amendment carefully but I am afraid I shall have to take the position which I have already indicated, I believe, to my hon. friend on an earlier occasion, namely that on behalf of the government I could not accept the amendment. It seems to me that what the hon. member is trying to do, and I say this to him respectfully, is to amend this bill by an amendment which should be, or should have been, made to the Financial Administration Act. I may have misunderstood what he has proposed, but I think the purport of his amendment would be far more applicable if it were an amendment to the Financial Administration Act. I suggest this is not the place where such an amendment should be made. I do not want to go into greater detail, and if the committee feels that is necessary it can be done; but my opinion as I look at the amendment is that I would have to advise the government to resist it.

**Mr. Knowles:** Mr. Chairman, the point the minister has made in opposition to this proposed amendment is surely not a very substantial one, and I say that with the same respect that he used in referring to me a moment ago. I would point out to the minister that Bill No. C-88 is entitled:

> An act respecting an order of His Excellency the Governor in Council entitled the surcharge on imports order, and to restore certain rates of customs duties and tariff benefits expressed to be withdrawn thereby.

There is nothing in the title to Bill No. C-88 which says that there is going to be tucked into this bill an amendment to the Customs Tariff, despite the fact that citation 361 of Beauchesne says:

> In framing the title care must be taken to make it wide enough to cover all the provisions of the bill—

The minister knows that the government is now indulging in a very common practice, when it has a bill before the house, to include in that bill an amendment relating to another statute but which covers the bill with which we are now dealing. I suggest that what we are dealing with is the question

of orders in council which vary rates of customs duty, and that we should provide that such orders cannot be varied by reliance on the Financial Administration Act or any other statute. I say that one of the reasons for not putting this in the Financial Administration Act is that, just as the former government found a section in the Financial Administration Act to rely on for that double-barrelled order in council, so some other government might find some other section in some other statute altogether. Therefore I suggest that the procedural point made by the Minister of Justice is hardly valid. I would be interested in whether he has any argument of substance against this proposal that we should plug the loophole and make sure that no future like orders are possible at all.

**Mr. Chevrier:** I think I made it clear in my first statement that I did not want to get into an argument with my hon. friends opposite or with my hon. friends in the corner, and I am certainly not going to start discussing the legality of the amendment. If I were to do that, then I would say exactly what I think should not be done under the circumstances. It seems to me that what we have here is a bill wherein there is doubt, about which I have been advised there is doubt, and about which I am convinced myself there is doubt. For that reason the bill is before the committee. I have a great deal of sympathy for what the hon. member has said and for the manner in which he would like to have the difficulty removed. But none the less I regret to tell him that I have to advise my colleagues that I must, under the circumstances, resist the amendment.

Amendment, (Mr. Knowles) negatived: Yeas 12; nays 90.

**The Chairman:** I declare the amendment lost.

Clause 3 agreed to.

Title agreed to.

**The Chairman:** Shall the bill carry?

**Mr. Olson:** We have not had a great deal to say about Bill C-88 during the committee stage because we believe it is necessary for the purpose of validating certain actions which were taken by the government on June 24, 1962. The reason for our attitude, is, of course, that there is no possibility, now, of refunding any of the taxes collected to the people who ultimately paid them when they bought the goods which the surcharges involved.

However, a number of things have been said by members on both sides of this house, in this chamber and in other places in Canada, with which we simply do not agree.

[Mr. Knowles.]

We heard the hon. member for Digby-Annapolis-Kings say there was no difficulty in June respecting their interpretation of whether the surcharges were legal or not. We have heard, too, the Leader of the Opposition say, perhaps inside this house, but certainly outside, that he knew of no crisis in international exchange affairs until after June 18, 1962. I want to say that either this statement is not true or the right hon. gentleman was derelict in his duty. If he did not know there was a crisis in international exchange prior to June 18, then he certainly did not know what was going on in the economy of Canada. I wish to say that we think the action which was taken on June 24 in imposing these surcharges was taken too late. We also believe that this action was delayed until that date for reasons which were not in the best interest of the people of Canada. They may have been in the best interest of the Conservative party which was involved in an election, but certainly it was not for the good of the people of Canada that the government should have allowed our reserves to fall to such a dangerously low level before action was taken to halt the drain.

We have an obligation to validate these measures now, so that there may not be a possibility of some of the persons first charged with the payment of the tax receiving a windfall by way of refund, but we do not accept the argument that there was no crisis apparent until after the date of the election.

**The Chairman:** I did not want to interrupt the hon. member in his remarks but perhaps I should say as a matter of record that the question "Shall the bill carry?" is not debatable under standing order 32. However, the remarks have now been made and I would ask the committee again if the bill shall carry.

**Some hon. Members:** Agreed.

Bill reported.

**Mr. Speaker:** When shall the bill be read the third time? Now?

**Mr. Gordon** moved the third reading of the bill.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Nowlan:** On division.

Motion agreed to and bill read the third time and passed.

## INCOME TAX ACT

The house resumed from Friday, November 1, consideration in committee of Bill C-95 to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 16—*Exemption of income from manufacturing or processing business in designated areas.*

**Mr. Alkenbrack:** Last Friday afternoon we spoke on this clause and we brought forward an amendment as follows:

That section 71A (1) (b) be amended by adding: "except that the provisions of this section shall apply only where the municipality in which such taxpayer carries on business has requested the benefit hereof, and that municipalities receiving such benefits must not be closer to each other than 100 miles".

This amendment was the result of a concerted effort by a number of members on this side to remove the injustice which is rampant as a result of the indiscriminate naming of these designated areas. We believe the federal government should not usurp the authority vested in the provincial and municipal authorities. In other words, the provinces and the municipalities are the ones who best know the needs of local areas. The provincial government, on the advice of the municipalities, best knows whether and where a stimulant should be administered to these corporate bodies. We wish to get legislation which would spread out the benefits flowing to these areas and which would not work to the detriment of other areas in the region, so we proposed there should be a distance of 100 miles between any areas which might be designated. However, after careful perusal and consideration of the words in the proposed amendment appearing after the word "hereof", we find our suggestion is not as workable as we formerly believed it was. Therefore, with the permission of my seconder, the hon. member for Okanagan Boundary, and with the unanimous consent of the committee, I ask permission to withdraw this amendment. I may say we intend to replace it with another which I am sure will be acceptable to all hon. members.

**The Chairman:** Is the committee willing to consent to the withdrawal of this proposed amendment?

**Some hon. Members:** Agreed.

Amendment withdrawn.

**Mr. Hales:** Since the committee has given unanimous consent to the withdrawal of this amendment, I should like to present another on similar lines. But before reading the amendment I should like to bring to the attention of the committee as forcefully as I can the great danger, the pitfalls, the discrimination involved, and the impracticability of applying this piece of legislation in all parts of Canada.

This legislation is another example of 60 days of hasty decision. We find ourselves being asked to pass clause 16 of this legislation and I think we should pause and be very careful before we pass it. I would ask the other parties to my left in the house to join with us in supporting the amendment which I propose to put before the house.

The list of designated areas was established by order in council. I wish that the minister without portfolio, who comes from Brantford, had asked one question of his cabinet colleagues at that time. If he had done so we would not now find ourselves faced with this problem which affects not only my area but the area of the hon. member for Renfrew North and other areas in Canada. If he had only asked the question, "how will this affect communities in the surrounding area", before the order in council was passed we would not find ourselves confronted with the problem that exists in the industrial area which includes Galt, Kitchener, Hespeler, Preston and Guelph.

This is a piece of legislation, Mr. Chairman, that will not work in a practical way. It was brought before the house by those academic thinkers on the treasury benches who had no conception of its practical application. I have taken the time of the house before to bring various points to the attention of the house to show that the legislation is not workable. I will simply list them now. First of all, it is discriminatory. The Minister of Industry says: Yes, it is discriminatory; that is what we want it to be. The hon. member for Northumberland says: Yes, it is discriminatory; that is what we want. That may be all right in certain areas but you cannot have discrimination where there are adjacent cities.

Another point I brought to the attention of the house was the criterion by which these places were designated. The criterion used is not a practical one. It is an academic criterion. The six summer months have been taken and this does not give a fair assessment. I have given the reasons why in former speeches. If you are going to use unemployment figures you should take the whole 12 months of the year. This makes it practical and possible for all communities in Canada to qualify, and does not discriminate against those with high summer employment or low winter employment.

The third point I mentioned before was that the legislation encroaches upon provincial and municipal autonomy, something that we must guard against very zealously. The fourth point which I mentioned before was that it is contradictory. We have the Minister of Finance asking us in Bill No. C-95 to pass legislation that will impose a penalty on American subsidiaries in Canada. On the other hand, we have his counterpart, the Minister of Industry, offering $400,000 on a silver platter to an American firm to locate in Canada. This is

the situation. They are at cross-purposes. The legislation is contradictory.

The fifth point I mentioned was that the legislation was not being accepted by industrialists generally. This legislation has been dreamed up on the basis of academic thinking and I for one should like to see practical legislation.

What has the press throughout the country had to say about this matter? Surely we can place some importance on what the press has had to say. The latest comment brought to my attention is found on the first page of the Canada section of *Time* magazine of November 8. Under the main heading "The Realm" there is the subheading, "Depressed? Who, Us?" There is a picture of the main street of this thriving city of Brantford. The article reads in part as follows:

> At one end of town, a $750,000 motel is going up opposite a spanking new shopping plaza; at the other, a $1.5 million General Hospital residence and nursing school. Fortnight ago, in fact, Brantford became Canada's first city to go over the top in its united appeal campaign.

The whole article is worth reading for those on the government side. Here is a full page from the Kitchener-Waterloo *Record*. There are pictures of the Brantford employment office with no one in it, park benches with no one sitting on them and the busy main street, in fact, a town hustling and bustling with trade. I have here an article from the *Globe and Mail* of November 2 last which shows average earnings for Guelph of $4,232 and average earnings for Brantford of $4,215, a difference of only $17 per capita between the two cities. Yet Brantford is designated as a depressed area and the surrounding cities, particularly Guelph, are not.

Here is another heading in the Guelph *Mercury*: "Don't Need Extra Help". The reference is to a statement by the mayor of Kelowna. Here is an editorial that appeared in the Guelph *Mercury* of October 24 last headed, "Who Wants to be Depressed?" There is an interesting paragraph which reads as follows:

> Industry minister Drury has got a tiger by the tail in this issue, and he may end up wishing that he had let the normal laws of supply and demand attract new industries to areas where they are best suited.

Again I say that the practical application of the law of supply and demand would have been much better than the application of academic thinking such as we find in this legislation. And so I could go on. Other protests and articles have been written. Here is one from the Guelph *Mercury* of October 16 last headed, "Wants 'March' on Ottawa", which reads in part as follows:

> Alderman Donald Snider of Waterloo Tuesday suggested a march on Ottawa to protest federal plans for legislation giving special tax concessions to 11 areas and 115 municipalities in Ontario to the detriment of other areas. A "freedom train"—

Here is a headline from the *Globe and Mail* of October 9 last: "New Hamburg to Join Protest to Ottawa". These are but some of the newspaper articles that have appeared from time to time about this very unsatisfactory academic, theoretical piece of legislation that we are being asked to pass in the house this afternoon.

Before I conclude by moving an amendment to clause 16 I respectfully solicit the support of the parties to my left. I know that some of their members have the same problem in their areas. I would ask members on the government side to let their conscience be their guide with regard to this legislation. Very few of them have risen in their places to defend it. Why? Because they know it is wrong. That is why they have not stood up to defend it. Now here is a chance for them to support the amendment which I propose to put before the house.

The Prime Minister, in replying to a letter from the Guelph chamber of commerce, had this to say:

> The difficulty is to apply this principle fairly.

Even the Prime Minister knows there will be difficulty in applying this fairly.

> I am sure you will understand that any definition is bound to produce some difficult, borderline cases. It certainly was not and is not the government's wish to discriminate against a new industrial development in Guelph.

Inasmuch as the Prime Minister has said in his letter that it is not the wish of the government to discriminate, I ask for the support of this amendment by members on the government side. The amendment is along the lines that as members of parliament we should respect the rights of the municipalities and the provinces. We should respect the autonomy of these areas. This is what the amendment is based on—respect for the autonomy of these municipalities.

I mentioned earlier that not long ago the provincial government passed legislation prohibiting municipalities from outbidding one another in order to attract industries to their municipalities. Here we have the senior government stepping over the provincial government, ignoring them completely and saying to Brantford in this instance: You are a designated area. I do not know whether the Minister without Portfolio from Brantford was present, but he is a member of the cabinet and I wish he had asked his colleagues this one question: If we designate Brantford,

what will the surrounding communities think about this legislation. If he had done so we would not find ourselves in this position today. So, Mr. Chairman, I move, seconded by the hon. member for Prince Edward-Lennox (Mr. Alkenbrack):

That paragraph 71A, subsection 1 (b) is amended by adding:

"except that the provisions of this section shall apply only where the municipality in which such taxpayer carries on business has requested the benefit hereof".

**Mr. Gordon:** Mr. Chairman, first of all I should like to thank the hon. member, if he included me—and I am not sure he did, although perhaps I am entitled to think he might have— in his reference to the academic thinkers on this side of the house. I have spent a fairly strenuous life, and all the while have been charged with being one of the practical people of this world. In the past, a lot of people have said it would have been better if I had spent more time in school. I thank the hon. member for the promotion.

Now, a lot has been said about this particular clause. I do not think anything is to be gained by a rehash of the arguments pro and con on the subject of trying to assist slow economic growth areas and trying to provide additional employment. As I have said, there are those who think these matters should be left to the ordinary forces of supply and demand. There are others, and they include most of the people in Europe, who think it is the duty and responsibility of the government to do something about areas of slow growth by trying to provide opportunities for the people living in those areas.

Then there is the argument, and I think this is perhaps the argument that the hon. member has concentrated upon, concerning the criteria that should be used in establishing these areas. It is significant, however, that in the amendment he has included a provision that a designated area would not be eligible for this assistance unless it were forced to come to the government, hat in hand, asking that this be done. I do not know, but I suppose you could make some kind of argument along this line. However, I suggest to the hon. member and to other members of this committee, that if we accept the principle that the federal government has a responsibility for trying to provide additional employment in areas of slow growth and relatively high unemployment, then the government should act accordingly.

Now, the criteria for the selection of areas have been based on the employment and unemployment record for summer months rather than the annual average in order to avoid undue emphasis on winter unemployment in areas where the main problem is of a seasonal character. Under the established criteria, a national employment service area qualifies as a designated area provided:

(a) It has been classified by the Department of Labour as a labour surplus area for one half or more of the summer months, May to October, during the past eight years; and it has experienced an employment increase of less than one half the national average over the same period; or

(b) It has been classified by the Department of Labour as a labour surplus area for one third or more of the summer months, May to October, during the past eight years; and it has experienced an employment decrease over the same period; or

(c) It has been classified by the Department of Labour as a labour surplus area for one half or more of the summer months, May to October, during the past three years; and it has experienced an employment decrease in each one of the past three years.

(d) However, an area shall not be designated if the average monthly national employment service registration for the three months of May, June and July, expressed as a percentage of the total number of paid workers in the area,

(i) Is less in the current year than in the preceding year and less in the preceding year than in the year preceding that year, and

(ii) Is less in the current year than in the year preceding the preceding year by at least 45 per cent; and the area would not, if the three months of May, June and July in the current year were considered to be a single month, have been classified by the Department of Labour as a substantial labour surplus area for that month.

Provision is made for flexibility—and I do not believe enough has been said about this —in extending boundaries of designated areas and for adding new national employment service areas to the list of designated areas as soon as they fulfil the criteria of eligibility. All national employment service areas will be reviewed annually by the Department of Labour, and those new areas which qualify, along with those areas which no longer qualify, will be announced by that department.

The Minister of Industry, Mr. Chairman, has stated that the government intends to apply the various programs of assistance to industry in the designated areas as soon as possible. The area development agency will co-ordinate these activities for the government of Canada. Through the co-operative efforts of government and industry, economic activity will be stimulated in areas that have experienced slow growth and heavy unemployment for a long time. The Minister of

industry has stated that if this formula is found not to work in practice or to be susceptible of improvement, then he will be the first to recommend this improvement.

I suggest, Mr. Chairman, to hon. members of the committee that the thing we should try to do now is get on with this particular measure for improving the rate of growth in certain areas of Canada and for providing more jobs in those areas, without further delay. I am afraid, Mr. Chairman, that I must say to the hon. member, on behalf of the members on this side of the house, we will be unable to accept his amendment.

**Mr. Thompson:** Mr. Chairman, I want to make my remarks on this point very brief because the amendment that has been made would suggest to us further that, if only we had a government financial policy in Canada that was directed to our economic responsibility everywhere as it should be, we would not be talking about depressed areas and granting them special tax concessions. This clause with which we are dealing specifically is to provide a 36-month exemption from tax for new manufacturing or processing businesses being established in designated areas. The problem that is dealt with in this amendment is how the area shall be selected or designated as a depressed or needy area.

I am somewhat disappointed that the Minister of Finance has seen fit to reject this amendment, because I think it is aimed at a very fundamental problem of which we who are in the legislative business ought to be continually mindful. The clause provides that the Minister of Industry can designate an area. We have here more discretionary powers being put into the hands of government. It seems to me that government should want to have the advice and full co-operation of the communities with which they are concerned. The only way in which this can be accomplished is to take those communities into the confidence of the government.

**Mr. Gordon:** I wonder if the hon. member would allow me to ask him a question? The areas as defined are not confined to municipal boundaries, and I am just curious, since I gather he is supporting this amendment, to know how he thinks it would work in practice when it is intended to help areas that are not restricted to any particular municipal boundary limits?

**Mr. Thompson:** I am quite aware of that. It was for this reason I was careful to use the word "communities", because in "communities" you might have several municipal or local governments. Certainly, you have the provincial government to which these local governments are responsible. How much more effective it would be if these governments were consulted, if they were allowed to express their opinions on this.

I am in favour of this amendment for two reasons, and one is that the consultation aspect of government must be continually protected and preserved. It is only in this way we can get the full co-operation not only of local governments but also of people in industries and commercial enterprises in these communities. This applies even to the provincial governments because, after all, our municipalities are responsible to them.

From the second standpoint what I am particularly concerned about is that this bill is placing more discretionary powers in the hands of a central government, and this is the very thing we should be most concerned about as governments get larger and larger.

I would like to ask another question concerning something not touched by the amendment, but which is in a section preceding the amendment. Paragraph (a) states:

> —occurring wholly within the 36 months period that commenced on the day certified as the day on which the business commenced manufacturing or processing in reasonable commercial quantities;

Just what would a "reasonable commercial quantity" be? It seems to me that paragraph (a) is very general and ambiguous, while the other is just the opposite, in that it is placing authority back into the hands of the minister. I regret that the minister has taken the attitude he has just expressed because this is a very vital point, even though it is a minor one.

**Mr. Winkler:** I shall intervene only for a few minutes to support the amendment put forward by the hon. member for Wellington South. The basic idea of this legislation is, of course, to assist generally in the areas outlined by the government, but a very worthy point has been mentioned by the hon. member for Red Deer regarding the discretionary power of the Minister of Finance in determining who shall be eligible. To me this sounds like a peculiar way of approaching the question of how the areas are going to be designated.

Early this year, last year and the year before, one would have thought, listening to the minister's colleagues, that the whole of Canada was depressed; but now, as I said last week, we narrow it down to Liberal ridings. It seems, particularly with regard to the area that has been designated in Ontario, and which has caused a controversy, there must have been some particular pressure within the cabinet to designate that area. In fact it looks like a little bit of empire building around that particular city.

It only became evident to me after I had an opportunity of reading *Hansard* of last

week, when we were discussing this particular item, why this particular area should have this preference, when Brantford and every other city in the province of Ontario is enjoying prosperity as a result of the action we took when in office. There is no question about that.

Today we dealt with the surcharges and disposed of that particular measure. Some hon. members might think this is irrelevant, but I want to bring it to the attention of the committee to show that this particular method of dealing with the matter, such as the minister has proposed in the bill, is wrong, and that the hon. member for Wellington South might have the right idea here. At least it would be done on the basis of something that can be considered by an area which is anxious to take advantage of this legislation.

The surcharges, be they good, bad or indifferent, legal or illegal, were introduced and contributed immeasurably to the prosperity we are enjoying today. In fact I recall reading a letter in this chamber from a manufacturer making that very point, that they contributed to our prosperity, and therefore the government does not have to bring forward measures such as this to pinpoint certain areas and be discriminatory, as was stated by the minister's parliamentary secretary.

If all the municipalities in the Dominion of Canada are to have an advantage, surely it should be stated that way, and surely when an industry expands, and makes a contribution where unemployment has been a big factor, it should be for the benefit of the entire country and not limited to some place which the Minister of Finance says needs this assistance. That is not the philosophical thinking of the people on this side of the house. We think everybody should have the advantage and that that is the only fair way of dealing with the situation.

To conclude my brief remarks I say that if the minister really and truly wants to do something for the benefit of all the people of Canada and all the industries in Canada, he will remove the ridiculous sales tax imposition which is going to obstruct the expansion of industry. He might also do something about transportation so that areas, such as the area in which I live, can take advantage of it to attract industry.

**An hon. Member:** Order.

**Mr. Winkler:** If someone else wants the floor, then if he stands up he might have it. Who is doing the talking?

If the minister would do something of this nature that would affect all industries equally he would be contributing to the expansion of industry in all municipalities. We in my particular area would like to take advantage of this, but we are experiencing the boom that the Conservative government instituted early in 1962. If the amendment presented by the hon. member for Wellington South were accepted, then I am sure representatives of the municipalities in my constituency would come down here and point out that they can use it to their advantage, and therefore to the advantage of Canada.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, the matter of provincial autonomy was put forward, so to speak, when this amendment was introduced. After considering the amendment, I feel that it actually goes against the principles of provincial autonomy as we understand it. Municipalities spring from the provinces. If the federal government is to be allowed to deal directly with the municipalities, to override provincial governments, the central government will be inclined more and more to follow that course. It is precisely to that principle that we object.

On the other hand, if the hon. member who introduced this amendment would replace the word "municipality" by the word "province", then the amendment would be not only acceptable, but desirable. It would follow that the federal government would no longer have to deal with the municipalities but only with certain provincial governments. That would relieve the federal government of extra work, difficulties and problems. They would negotiate only with ten provincial governments, or at least with those interested, the province of Quebec being one of them. But the federal government is asked in this amendment to negotiate with every municipality.

Now, take my own riding, for instance, which is one of the designated areas—and my thanks to the Minister of Finance (Mr. Gordon), to the Minister of Industry (Mr. Drury) and to the Minister of Labour (Mr. MacEachen) for having had the good idea of including the constituency of Lapointe among the designated areas. I say to those hon. ministers that they should have thought of that a long time ago, because in the constituency of Lapointe, the unemployed, the small industry and farmers have been in dire straits for quite some time.

**Mr. Rouleau:** That is because they have a bad member of parliament.

**Mr. Boulanger:** Hear, hear.

**Mr. Gregoire:** Mr. Chairman, I think it would be very easy to refute the charge just made by the hon. member for Dollard (Mr. Rouleau) and the hon. member for Mercier (Mr. Boulanger), for if our ridings are going through a period of distress, depression and unemployment, it is not the fault of the

members of the opposition, who have not even got their say in that, but the fault of the members of the party in office who have always refused to open their eyes and use their brains in order to accept the suggestions we have made to them in the past. It is because they turned a deaf ear to all our suggestions that they find themselves today without any solution to the problems facing us. Let the hon. member for Dollard and the hon. member for Mercier use their intelligence and stop being dense like all government members, and let them accept the solutions we are suggesting. They will realize then that the hon. member for Lapointe has the proper answers likely to solve the unemployment problem.

**Mr. Rouleau:** You never settled anything.

**Mr. Gregoire:** The hon. member for Dollard refuses to consider this solution with an open mind, like all other present government members and those of previous governments. That is why the appropriate solutions could never be found.

Mr. Chairman, there are other remarks I wanted to make to the Minister of Finance regarding this bill, namely this one which is worth considering, because I believe that the experts of the Department of Finance have succeeded in doing something that nobody could ever bring off in the whole world. I am referring to a sentence that I find in the French version of Bill No. C-95.

In fact, it begins at the bottom of page 14, and it continues on page 15 to end at the top of page 16; just one sentence with one semicolon only.

Mr. Chairman, I submit that it takes genius and these people must be outstanding to be able to compose one sentence extending nearly a page and a half.

**Mr. Gordon:** Not guilty.

**Mr. Gregoire:** I shall point out to the minister that really he could have experts with a different inclination, that is to make that piece of legislation clearer, less ambiguous and more concise.

It is true that there is a semicolon after the first 32 lines, but the period comes only after the next 30 lines, which means a sentence of 62 lines.

I noticed that the Minister of Citizenship and Immigration (Mr. Favreau) was sitting next to the Minister of Finance a while ago, and seemed to be giving him advice. I have no doubt about the intellectual capacity of the Minister of Citizenship and Immigration, because I have always respected his talent for literature.

I notice also the presence of the Minister without Portfolio and President of the Privy Council (Mr. Lamontagne), who was a university professor.

I notice also the Minister of Justice (Mr. Chevrier), who is also a university graduate.

They are all good French Canadians who must strain their ingenuity, now and then in order to give the French language its inherent pungency and zest. And when I notice sentences like the one just mentioned which make up a page and a half, I am convinced that these three ministers will approve what I say.

I should have mentioned also the Postmaster General (Mr. Denis), but I will inquire about his linguistic qualifications and then I will be able to quote him once in a while.

**Some hon. Members:** Order.

**Mr. Gregoire:** At any rate, I submit that my remarks are in order, because when mentioning that clause, I am pointing out its defective terminology and punctuation or, rather, the inexact idea intimated therein, because it is impossible to express any idea clearly in a sentence a page and a half long.

I would also like to bring another point to the attention of the Minister of Finance. Everybody mentioned the designated areas which need help.

I had the opportunity of meeting some commission members, businessmen and municipal councillors in my riding, and to discuss matters with aldermen, mayors and reeves. Having done so, I realize that it is alright to exempt new industries from taxation, but in order to help administer the act appropriately the officials of the department of finance, or labour, and more particularly those in the employment office should be at the disposal of city councils, industrial commissions and municipalities, when they want advice, statistics and data, and all information required to help attract new industries to the various designated areas.

I think the employees of the various employment offices throughout the country, should be asked to supply our municipalities and industrial commissions with all statistical data that would help determine which industries might more particularly benefit by settling in one designated area rather than another. Then, being administered in practical way the law would become more efficient and benefit the designated areas to a greater extent.

That is why I would suggest to the Minister of Labour that he ask all his officials in employment and unemployment insurance offices to help, and co-operate with, as much

as possible, municipal councils and industrial commissions in order to give them the required information and statistics for the establishment of new industries in those various places called designated areas.

With respect to section 16, I should like to point out to the minister—and the Minister of Finance must be aware of that, since he was for several years an outstanding accountant working for an equally outstanding firm—that any company entering into business does not, in the first 12 months, or in many case in the first 24 months, and even in the first 36 months, make any profits and, therefore, would not benefit from a tax abatement.

I daresay to the minister that a new industry will show a deficit.

Then, those new industries coming into operation in the designated areas will suffer a loss, an operation deficit, and consequently they will not have to pay taxes. If that situation comes about for any normal industry, the same thing will affect an industry starting its operations, its marketing and its production in the designated areas.

So, the tax exemption granted to new industries for a three year period will not be beneficial to them if it is limited to three years. In certain cases, it will be six months, or a year, or even two years.

For those reasons, I am asking the Minister of Finance if he could not change a provision of the bill so that it would read as follows: for the first three years during which an industry would be paying taxes if it were taxable, that is if it showed operation surpluses subject to tax payments.

Then, there would be a true three year tax exemption benefit, while under the present legislation, an industry does not benefit from it for three years but for much shorter period if it happens that a new industry does not make any profits for the first two, three or even the first four years.

**The Deputy Chairman:** I see it is six o'clock. In any case—

**Some hon. Members:** Question.

**Mr. Gregoire:** Mr. Chairman, I see that the hon. members are in a hurry to vote. I am prepared to agree to their request, because on the same section, another member of our group will move an amendment. Then, I shall have the opportunity to give more advice to the Minister of Finance and I hope it will be followed.

The members who a few minutes ago blamed us for having depressed areas in our ridings suffer from a lack of intelligence, and I would suggest that they listen to the speeches dealing with unemployment in our constituencies.

[*Text*]

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

**Mr. Horner (Acadia):** Mr. Chairman, I think the hon. member for Lapointe did a very successful job in talking out the very worth while amendment put in by the hon. member for Wellington South. I see it is now six o'clock. Shall I proceed with my remarks, Mr. Chairman?

**The Deputy Chairman:** Order. It being six 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.

## PRIVILEGES AND ELECTIONS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

**Mr. J. E. Walker (York Centre):** Mr. Speaker, I wonder if the house would give unanimous consent to revert to motions purely for the purpose of substituting somebody on a committee.

**Some hon. Members:** Agreed.

**Mr. Walker:** I move, seconded by the hon. member for St. James (Mr. Rinfret):

That the name of Mr. Olson be substituted for that of Mr. Girouard on the standing committee on privileges and elections.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I would like to say a few words on that motion.

**An hon. Member:** No.

**Mr. Gregoire:** Mr. Speaker, I wish to point out that on the privileges and elections committee we, of the Ralliement Creditistes, have only one representative, while the group of the hon. member for Red Deer (Mr. Thompson) has two. The same thing prevails in every one of the special or standing committees of the house.

**Mr. Deputy Speaker:** Order. I must bring to the attention of the hon. member that the motion moved by the hon. member is not open to debate.

I am sorry; I have just been told that the motion is open to debate, but only on changes brought about in particular circumstances.

**Mr. Gregoire:** That is precisely what I have in mind; I am dealing with such changes.

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the said motion?

**Mr. Gregoire:** Mr. Speaker, it is precisely on the point we have just referred to and

which directly concerns the change that I should like to propose an amendment to the motion.

I have made my preliminary statement and I feel the arguments I am using are permissible in the course of the debate on the motion.

As I was saying, the membership of the standing and special committees of the house is not fairly divided among each party, especially as far as the Ralliement Creditistes is concerned. For instance, on the defence committee—

**Mr. Deputy Speaker:** Order. In my opinion, the hon. member is wandering quite a bit from the subject of the motion now before us, and if I may read it in English—

[*Text*]

That the name of Mr. Olson be substituted for that of Mr. Girouard on the standing committee on privileges and elections.

That is the only thing which can be discussed by the hon. member because that is the only motion before the house at the moment.

[*Translation*]

**Mr. Gregoire:** That is precisely what I wish to discuss, and to come to the point, in view of the poor distribution—

**Mr. Deputy Speaker:** Order. I must point out to the hon. member that his remarks are not relevant to the motion before the house.

Perhaps, he could wait for another opportunity to make them.

[*Text*]

Motion agreed to.

## BUSINESS OF THE HOUSE

**Mr. Nowlan:** May I inquire from the Secretary of State what the business of the house will be for tomorrow, and also for Friday as well.

**Mr. Pickersgill:** Tomorrow we will continue with the committee stage, and I hope also the third reading of the bill under consideration a few minutes ago, the income tax bill. Under the agreement I mentioned last night, when it is completed we will take, up until five o'clock, the motion in the name of my hon. friend the Solicitor General, which everyone is anxious to reach. If that is completed I should like to call second reading of the Northwest Territories Act once more.

**Mr. Nowlan:** Will the same order be followed on Friday?

**Mr. Pickersgill:** Yes.

It being five minutes past six o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Thursday, November 7, 1963**

The house met at 2.30 p.m.

## THE ROYAL ASSENT

**Mr. Speaker:** I have the honour to inform the house that a communication has been received which is as follows:

7th November, 1963

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, the 7th of November, 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

## PRIVILEGE

MR. ASSELIN, NOTRE DAME DE GRACE—ALLEGED THREAT OF PERSONAL ATTACKS IN HOUSE

**Mr. Edmund Asselin (Notre Dame de Grace):** Mr. Speaker, I should like at this time to bring to the attention of the house a question of privilege affecting the independence of my position as a member of parliament. I think you and the house should be immediately advised that it has been suggested that I use my influence as a member of the house in a most improper way, and that I have been threatened that failure to do so would bring reprisals by way of personal attacks against me in the house.

I have to advise that I was approached yesterday evening in connection with certain questions which have been raised in the house during recent days affecting my personal position. A highly respected member of the press gallery, Mr. W. A. Wilson, chief of the Montreal *Star* parliamentary press bureau, advised me that he had been requested by Mr. Pascal Hayes, the Progressive Conservative candidate in the Montreal Notre Dame de Grace riding in the April 8 federal election, and presently employed I am advised in the office of the Leader of the Opposition, to convey to me the following message. Mr. Hayes indicated that if I would undertake to have quashed a conviction for common assault which is now outstanding against him and which is presently under appeal in the Quebec courts, he would cause certain members of the opposition to cease making any further personal attacks or imputations against me in this house, and that there would be no further attacks from the Progressive Conservative party in this house. If I failed to take this action, I was given to understand that these attacks would be continued and that other Progressive Conservative members would be organized to take part. I was advised also that the Conservative members of the banking and commerce committee would walk out of the meeting tomorrow morning.

With respect to Mr. Hayes' conviction, I was advised to use any means possible to have the charge dropped or withdrawn or the conviction quashed, so as to leave his record completely clean. It was further suggested particularly that I should arrange for a key witness in the prosecution to say that it was not Mr. Hayes who had struck her but, in fact, was a certain Mr. Cameron who also was implicated in the case, who gave testimony at the original trial, and who was one of Mr. Hayes' election organizers. It was stated that I should see that Mr. Hayes came out of the case "clean".

As you can readily recognize, this involves a very serious question with possible far reaching effects. I considered it to be my duty as a member of this house and a citizen of this country to lay this matter before you and this house at the very first opportunity.

**Mr. Bell:** Tell us Bermuda.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I simply rise to say that if I heard the hon. member correctly he made an allegation that one Mr. Pascal Hayes was employed in my office. Let me make it very clear that he is not, under any circumstances. His wife is a secretary in my office. Beyond that I know nothing of this matter, and I want to make it quite clear that the person in question referred to by the hon. member has no connection, directly or indirectly, with my office.

**Mr. Asselin (Notre Dame de Grace):** If I have misinformed the house on this matter—

**Some hon. Members:** Yes, yes.

*Question of Privilege*

**Mr. Asselin (Notre Dame de Grace):** —then I should like to withdraw that part of my remarks relating to the fact that Mr. Pascal Hayes was employed in the office of the Leader of the Opposition. I am sorry if I have caused the Leader of the Opposition any embarrassment in this particular instance. However, I must state that I am bound to take his word for this—

**Mr. Speaker:** Order, please.

**Mr. Asselin (Notre Dame de Grace):** —and I withdraw that part of it.

**Mr. Speaker:** I think the point has been made clear.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, on this point of privilege, should there not be some ruling or understanding as to whether it is a point of privilege to raise in this house something which is obviously only hearsay? We are told a person outside the house has told the hon. member certain things, but he has produced no evidence. I am not trying to get into the argument, but I raise the question whether it is a point of privilege to recite in the house things which are obviously hearsay.

**Mr. Starr:** Probably the whole thing is false.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, as a member of the banking and commerce committee I have no intention of walking out on my duties in that committee, and I have not heard of any intention on the part of any member of this party to walk out on those duties.

**Mr. Speaker:** Order. The point taken by the hon. member for Winnipeg North Centre is a proper one. It is my duty to see if there is a prima facie case of privilege, and I do not see any prima facie case of privilege here.

[*Later:*]

MR. GREGOIRE—METHOD OF SALUTATION IN LISTS OF CONSULTANTS

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** I rise on a question of privilege concerning relations between members of parliament and officers of certain government departments. Having consulted the lists which the Postmaster General (Mr. Denis) tabled in the house yesterday, after he obtained unanimous consent to do so, I find that, according to the first one, that is the list prepared under the former Conservative regime, in letters addressed to me the salutation "Cher M. Grégoire" and the pronoun "vous" were to be used.



Then, according to the second list, this was changed to: "Mon cher Grégoire" and "tu".

I should like to know what changes could have brought about that loss of good manners between the party in office and the member for Lapointe.

[*Text*]

**Mr. Speaker:** Order. I have no hesitation in saying there is no point of privilege in this statement. There may be a complaint, but no point of privilege.

## COMMITTEES OF THE HOUSE

STANDING ORDERS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

**Mr. Gerard Loiselle (St. Ann)** presented the second report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS

Twelfth report of standing committee on miscellaneous private bills—Mr. Wahn.

## EXTERNAL AFFAIRS

NATO—U.S. ACTION RESPECTING ECONOMIC CREDITS TO RUSSIA

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I should like to have addressed a question to the Secretary of State for External Affairs. In his absence the Minister of Justice might answer it. Has the government of the United States made representations to the government of Canada as well as to other nations in the North Atlantic Treaty Organization with a view to securing an agreement among those nations to refuse long term economic credits to the Soviet union? What has taken place in this connection, and what is the attitude of the Canadian government to the suggestion?

**Hon. Lionel Chevrier (Acting Prime Minister):** I am afraid I shall have to take that question as notice and bring it to the attention of my colleague.

CUBA—INQUIRY AS TO SITUATION OF ARRESTED CANADIAN CITIZENS

On the orders of the day:

**Mr. R. N. Thompson (Red Deer):** I had intended to direct a question to the minister of external affairs but perhaps the Acting Prime Minister could answer it instead. A great number of Canadians, not to mention the families of Lippert and Milne, the two

men arrested by the Cuban government, are most concerned as to the well being and safety of these two men. Could any word be given to this house and to the families concerned regarding the present state of affairs surrounding their detention? Their situation has apparently dropped from sight.

**Hon. Lionel Chevrier (Acting Prime Minister):** I did have a word with my colleague the Secretary of State for External Affairs in connection with this matter, and he informed me that our representatives in Cuba are in touch with these people and doing everything they can to assist them. Beyond that, and in the absence of my colleague, I am afraid that at the present time I can go no further.

**Mr. Thompson:** Does that answer refer to a current conversation or did it take place previously, at a time when the men were first arrested?

**Mr. Chevrier:** This was since my hon. friend made his statement in the house.

BERLIN—CONSULTATION WITH U.S. RESPECTING RECENT INCIDENTS

On the orders of the day:

**Mr. Barry Mather (New Westminster):** Mr. Speaker, I have a question which I wanted to ask the Secretary of State for External Affairs, but in his absence perhaps I could direct it to the Acting Prime Minister. Have Canadian authorities been taken into consultation by United States authorities in respect of what appears today to be an unfortunate resumption of brinkmanship on the Berlin-Soviet autobahn?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I am afraid I will have to draw that question to the attention of my colleague the Secretary of State for External Affairs.

STEPS TO IMPROVE U.S.-CANADIAN RELATIONS

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I would like to direct a question to the Acting Prime Minister. The Prime Minister made an important speech in the United States in which he said Canada as a nation should endeavour to get along with the United States. Since there has been a deterioration in relations since the Hyannis Port conference, what steps are going to be taken by the Canadian government in an endeavour to get along with the United States?

**Mr. Speaker:** The question is out of order because it is a statement, not a question.

**Mr. Woolliams:** My question briefly is this—



**Mr. Speaker:** Order. If you are questioning the ruling I still think you are out of order, but if it is another question go ahead.

**Mr. Woolliams:** My question was at the end, and I may have been interrupted and not heard. What steps is the Canadian government going to take in order to improve our relations with the United States, which have deteriorated?

**Mr. Speaker:** I am afraid the question should still be dry cleaned.

## SUGAR

INQUIRY AS TO STATEMENT RESPECTING PRICE INCREASES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I wish to address a question to the Minister of Finance. Yesterday the hon. gentleman said he intended to make a statement on the price of sugar in Canada, particularly with reference to the high price in Canada as compared with the relatively low price in the United States. I wonder whether the minister would consider making his statement at a time when there could be a full scale debate on this question, rather than merely making it on motions which would not provide any opportunity for debate.

**Hon. Walter L. Gordon (Minister of Finance):** I did not say, if I recollect correctly, that I would be the one who would make the statement. I have spoken to my colleague the Minister of Trade and Commerce and I think he will make the statement. I shall bring the suggestion made by the hon. member to the minister's attention when he returns to Ottawa.

## HOUSE OF COMMONS

RAYMOND RODGERS—INVITATIONS TO ATTEND MEETING OF COMMITTEE

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** I wish to address a question to the chairman of the committee on privileges and elections. My question is based on a report that the chairman of the press gallery association, Mr. Connolley, was invited to attend a meeting of the committee held this morning. Was a similar courtesy extended to the other party concerned with the question of admission to the press gallery?

**Mr. Alexis Caron (Parliamentary Secretary to Prime Minister):** They were both told we had a meeting this morning. The meeting was adjourned to the 25th.

[*Later:*]

**Mr. Herridge:** Mr. Speaker, I wish to address a supplementary question to the chairman of the committee on privileges and elections. In view of the fact that I have in my hand a note signed by Mr. R. S. Rodgers stating that he was not informed of the committee meeting, would the chairman of the committee inform me if he misunderstood the person to whom I was referring?

**Mr. Caron:** Mr. Speaker, I have been told since that the only one seen was Mr. Connolley, and as he was requesting an extension to the 25th he had not seen the other parties because the meeting would be on the 25th.

**Mr. Herridge:** The first answer was incorrect?

**Mr. Caron:** I made a mistake.

## INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** I should like to direct a question to the Minister without Portfolio.

Could he tell us whether he is the one who asked his colleague the Minister of Transport (Mr. McIlraith) to set up a marine industry in Causapscal, situated 50 miles from the St. Lawrence?

**Hon. Rene Tremblay (Minister without Portfolio):** Mr. Speaker, as far as I know, there is no official in the Department of Transport by the name of Holden.

[*Text*]

## TRANS-CANADA AIR LINES

### EVALUATION OF PLANES UNDER CONSIDERATION FOR PURCHASE

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to ask the Minister of Transport why Trans-Canada Air Lines has not sent an evaluation team to Sud Aviation to investigate the possibilities of the Caravelle, as it did with regard to the BAC-111 and the Douglas DC-9?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I will take the question as notice, but in taking it as notice I do not want that to be taken as an admission that the assertions made by the hon. member are correct, because I believe they are not correct.



[*Later:*]

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** I have a supplementary question for the Minister of Justice who is Acting Prime Minister.

Does the government intend to surrender to the ultimatum given by the Quebec government to have T.C.A. choose the Caravelle instead of the American DC-9 to provide work for T.C.A.?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, the government has received no ultimatum in that connection. The newspaper that the hon. member is waving is no evidence. However, I might add after the Minister of Transport (Mr. McIlraith), that the question will be given serious consideration.

[*Text*]

[*Later:*]

**Mr. Colin Cameron (Nanaimo-Cowichan-The Islands):** Mr. Speaker, I have a question for the Minister of Transport. Has he received any recommendations from the government of the province of Quebec concerning the choice of a carrier for T.C.A.? Is he in a position now to tell the house what the decision of the government is in regard to the choice between the DC-9 and the Caravelle?

**Mr. McIlraith:** As I said in the house in answer to a question a few days ago, Trans-Canada Air Lines have made a technical evaluation and report of the plane they propose to buy, and an evaluation of all the planes considered. This involves several planes, as well as the two named by the hon. member. The subject matter of this report has not yet been considered by the government. When it is, and a decision is announced by T.C.A., I shall be glad to advise the house exactly what is being done.

**Mr. Georges Valade (St. Mary):** May I ask a supplementary question. Will the Minister of Transport let us know before a decision is taken what kind of plane T.C.A. is going to buy? If the minister will allow me, I should like to ask what the intention of the department is—

**Some hon. Members:** Order.

**Mr. Valade:** I am asking a question, Mr. Speaker.

**Mr. Pickersgill:** You are making a speech.

**Mr. Speaker:** The hon. gentleman knows that in order to maintain order in this house, an hon. member should resume his seat as soon as the Speaker is on his feet. The first part of the question is in order, but in my

estimation the hon. gentleman was starting an argument in the second part. Let us keep our questions short and crisp.

**Mr. Valade:** What is the intention of the department with regard to the Vanguard, which has to be disposed of after the DC-9 is purchased?

**Mr. McIlraith:** A loaded question like that cannot be answered.

**Mr. Diefenbaker:** It is an unloaded one.

**Mr. Balcer:** I should like to ask an unloaded question of the minister. When is the special committee on railways, air lines and shipping going to meet, and is it going to meet before a final decision is made on this very important matter?

**Mr. McIlraith:** I have repeatedly put before the house my view as to the importance of having that committee created. I hope it will be set up very shortly. I am sure the house leader will agree with me, and the record of *Hansard* will show, that he has tried to get this matter forward for a decision.

**Mr. Diefenbaker:** When?

**An hon. Member:** Do it now.

**Mr. McIlraith:** Whether the committee is set up before or after this decision is taken will depend on the actions of the house itself.

## HEALTH AND WELFARE

### REQUEST FOR STATEMENT ON RADIATION TESTING PROGRAM

On the orders of the day:

**Mr. Auguste Choquette (Lotbiniere):** Mr. Speaker, I should like to direct a question to the minister of health and welfare. In view of a story appearing in yesterday's *Globe and Mail* stating that the Y.W.C.A. wanted what they described as an adequate radiation testing program, could the minister give the house any information on the government's present testing program?

**Some hon. Members:** Order paper.

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, I thank my hon. friend for giving me notice of his question. As it happens I have a rather lengthy statement to make regarding the question of radiation, one which has been asked for by several hon. members in the past. However, considering the fact that the house is always so anxious to press on with the business, may I ask permission of the house to have this lengthy statement, which is two pages long, inserted in *Hansard* as though read?

**Mr. Speaker:** Does the house give unanimous consent?

**Some hon. Members:** Agreed.

**Mr. Speaker:** May I suggest that this is the type of question for the order paper.

[*Editor's note: statement referred to above is as follows:*]

Earlier this year the Voice of Women presented me with a brief entitled "Fall-out monitoring in Canada." It did not seem to be appropriate for me to comment on such a complex matter before it was thoroughly reviewed. This brief has now been reviewed by competent scientific officers and I also referred it to the dominion council of health. The dominion council of health is the senior advisory committee to the department and all of the provinces are represented on it by their deputy ministers of health or chief medical officers, as the case may be. The council reviewed the brief and prepared the following statement on October 25, 1963.

Ionizing radiation, its effect on health and the development of radiation protection services are matters which receive the regular and close attention of council. The present meeting was no exception and the dominion council of health received and discussed in detail the report of the radiation protection division of the Department of National Health and Welfare. In addition it dealt with the matters raised in the brief from the Voice of Women entitled "Fall-out monitoring in Canada", which had been referred to council by the Minister of National Health and Welfare. Council recorded the following views which are pertinent to the points brought out in this brief.

Detection of fall-out is only one of five interrelated factors which must be considered in assessing the total effects of this source of ionizing radiation on health. The dominion council of health, after full consideration of all information available, found no indication for the implementation of additional detection measures recommended in the brief submitted by the Voice of Women nor does the dominion council of health consider that there is justification, at the present time for "the installation of milk decontamination equipment by the dairy industry". Fall-out must be kept in proper perspective with other forms of radiation exposure.

The dominion council of health is satisfied that the present radiation protection program of the department and plans for its further development are fully adequate to meet the needs of this country.

The dominion council of health supports the proposal of the Department of National Health and Welfare for the establishment of an expert committee on all aspects of radiation protection and furthermore recommends that the brief submitted by the Voice of Women be studied and reported upon by this committee.

I concur in this statement, and I would like to assure the members of this house that the department has been in regular consultation with experts in Canada and in other countries on matters of radiation protection since the program was set up in 1950. Every effort has been made to develop and maintain a highly competent service and at the same time to

make the best use of outside experts. In addition we have tried to keep the program of fall-out monitoring in proper perspective, but at the same time recognizing the fact that this has become the area of greatest concern to the public.

I am satisfied that the program of the department is adequate to meet our present needs but I would assure hon. members that if circumstances changed, the program would be modified to keep pace with changing circumstances.

In order to ensure that we continue to receive the best possible advice, the government is also setting up an advisory committee on radiation protection to advise me on all aspects of radiation exposure and acceptable standards. This committee will be composed of recognized authorities from universities and other non-governmental sources as well as government scientists. In addition, we will continue to maintain a close liaison with such agencies as the internationl commission on radiological protection, the United Nations scientific committee and the world health organization as well as individual experts.

## DOMINION-PROVINCIAL RELATIONS

### INQUIRY AS TO TERMINATION OF JOINT PLANS

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I have a question for the Prime Minister or, in his absence, for the Acting Prime Minister.

At the gathering of the next federal-provincial conference, does the Acting Prime Minister intend to recommend the discarding of joint programs and their replacement by a tax compensation plan, as asked by the premier of Quebec, Mr. Lesage, when recently touring New Orleans?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I do not know whether the hon. member was in the house yesterday when I tabled the correspondence pertaining to the federal-provincial conference, and its proposed agenda.

If the hon. member reads these documents, he will find the full list of the subjects that the federal and provincial governments have agreed to discuss.

As for the Liberal policy on joint programs, it is well and widely known.

**Mr. Valade:** Mr. Speaker, I would like to ask, on that point, a supplementary question.

It is doubtless true that we are informed about the government's policy in the matter of joint programs; but I would like to be told whether the Minister of Justice intends to discard these programs at the forthcoming federal-provincial conference?

**Mr. Chevrier:** The agenda and the procedure to be followed are matters which the conference decides for itself. If, with the agreement of the federal government, the provinces decide to modify the agenda which has already been tabled they are free to do so.

[*Text*]

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question, Mr. Speaker. May I ask the Minister of Justice if the President of the Privy Council was speaking for the government when he stated in his address in Toronto earlier this week that the government should be prepared to withdraw from some of the joint federal-provincial programs?

**Mr. Chevrier:** Mr. Speaker, I thought the President of the Privy Council, at least from the press report I read, had made an excellent speech in Toronto, and I am sure he could explain what was meant by what he said. I have no difficulty in admitting at once that what he did say would certainly meet with my approval.

## HOUSING

### C.M.H.C.—REQUEST FOR APPOINTMENT OF FRENCH SPEAKING VICE PRESIDENT

On the orders of the day:

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, yesterday the hon. member for Sherbrooke addressed a question to me in connection with senior appointments at Central Mortgage and Housing Corporation. My colleague the Acting Prime Minister took the question as notice.

I am pleased to tell the hon. member for Sherbrooke that the short answer is, of course, that there was no pressure brought to bear on the president of Central Mortgage and Housing Corporation. However, since the question seems to reveal, if I may say so with great respect, a certain lack of understanding of the organizational structure of the corporation, perhaps I can say just a word in explanation.

The management group of Central Mortgage and Housing Corporation consists of the president, one vice president and four executive directors. Following the retirement of the former vice president, Mr. P. S. Secord, the board of directors of the corporation unanimously recommended the appointment of Mr. H. W. Hignett as vice president, an appointment which culminates a long and distinguished career with the corporation.

Of the four executive directors I have mentioned, two are French speaking Canadians and two are English speaking Canadians.

[*Translation*]

**Mr. Gerard Chapdelaine (Sherbrooke):** Mr. Speaker, I should like to put a supplementary question to the Minister of National Revenue. Concerning the answer he has just given, does the minister intend to recommend or favour the appointment of a French Canadian on the executive committee of the Central Mortgage and Housing Corporation, since now none sits on that committee on a permanent basis?

[*Text*]

**Mr. Garland:** Mr. Speaker, perhaps the hon. gentleman did not hear my answer. Of four executive directors, two are French speaking Canadians.

## NATIONAL REVENUE

### IMPORTATION OF PORNOGRAPHIC LITERATURE AND OBSCENE BOOKS

On the orders of the day:

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to direct my question to the Minister of National Revenue. As reported in the *Globe and Mail* this morning, is it government policy to allow free access of pornographic literature and obscene books into Canada without checking at border entry points?

**Hon. J. R. Garland (Minister of National Revenue):** No, Mr. Speaker.

**Mr. Joseph Slogan (Springfield):** Mr. Speaker, I have a supplementary question for the Minister of Justice. Would the minister comment on the attitude of his department toward the spreading of pornographic and obscene literature in Canada and the importation thereof? More specifically, perhaps he would comment on the statement by a departmental official, as reported in this morning's *Globe and Mail,* that "the definition of obscenity is there but no one seems to care. Until the courts ban a book, there's no sense of our doing it." Would the minister indicate whether it will henceforth be necessary to go to court before an obscene book will be banned from entry into Canada?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, before I comment on a statement of that nature I think I would want an opportunity to read it.

**Some hon. Members:** Oh, oh.

**Mr. Chevrier:** I had in mind the statement, not the book. However, I would have no objection to reading the book. I understand that my colleague would like to add something to my reply in connection with this matter.



[*Translation*]

**Mr. Pigeon:** One other supplementary question, Mr. Speaker—

[*Text*]

**Mr. Speaker:** Order, please. One question at a time.

**Mr. Garland:** Mr. Speaker, in response to the subject matter of this series of questions, etc., I should like to say this. Hon. members will recall that the Customs Tariff contains an item, 1201, which prohibits the importation of "books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character".

I should explain that the detention of a publication by customs should not be interpreted as prohibition of the publication, since any customs officer is duty bound to detain any work which in his judgment is immoral or indecent and submit it to the department for examination and a ruling as to its classification in the light of item 1201.

However, the department has not independently prohibited importation of any publication for almost two years. I want to emphasize this because the newspaper stories seemed to indicate there had been a change since this government came into office. Let me repeat; the department has not independently prohibited importation of any publication for almost two years, but has preferred to be guided by decisions of the courts under section 150 of the Criminal Code, of which there have been very few since the amendment of that section.

## PARLIAMENT BUILDINGS

### REQUEST FOR IMPROVEMENT IN OPERATION OF ELEVATORS

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Minister of Public Works, and I apologize for taking the time to put it. I have repeatedly tried to get in touch with different branches concerned with the operation of the parliament buildings, but I have never been able to obtain any satisfaction with regard to the operation of the north side elevator in corridor C. I would ask the minister to exert whatever influence he can to get this elevator operating for the benefit of the Progressive Conservative, New Democrat and Social Credit members of the house.

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, I am going to look into this matter, as usual, today.

*Inquiries of the Ministry*

## BRIDGES

QUEBEC—REPORTED REQUEST FOR REPLACEMENT OF EXISTING STRUCTURE

On the orders of the day:

[*Translation*]

**Mr. Lucien Plourde (Quebec West):** Mr. Speaker, I wish to direct a question to the Minister of Public Works.

Would the minister tell the house whether he has received from the Quebec government a request for a new bridge between the south and north shores at Quebec city, near the existing bridge?

**Hon. J. P. Deschatelets (Minister of Public Works):** The answer is no, Mr. Speaker.

[*Text*]

## THE MINISTRY

SUGGESTED REQUEST FOR RESIGNATION OF POSTMASTER GENERAL

On the orders of the day:

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, I have a question for the Acting Prime Minister. In view of an editorial in today's Ottawa *Citizen*, that great supporter of the Liberal party, I wonder whether the Prime Minister intends to follow the suggestion contained therein; and may we expect that the Prime Minister will be asking for the resignation of the Postmaster General?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I have not seen the editorial or the news item to which the hon. member refers, but having regard to what has taken place in the house I am sure that is the last thing the Prime Minister would want to do in so far as the Postmaster General is concerned. I believe all those who sit on this side of the house believe that he is performing his task excellently.

**Some hon. Members:** Oh, oh.

**Some hon. Members:** Hear, hear.

## POST OFFICE DEPARTMENT

REQUEST FOR REDUCTION IN PART TIME EMPLOYMENT

On the orders of the day:

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, may I ask the Postmaster General a question?

Does the minister—even if he has to cut down his patronage list—consider opposing all measures tending to reduce the number of people who have part time employment in urban post offices, so that a greater number of people might remain on the regular payroll and be able to look after the needs of their families?

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, in answer to the question put by my hon. friend, I must inform him that next week I shall meet the executive members of the association of postal employees and we shall discuss the matter to see whether the allegations made by the hon. member for St. Hyacinthe are correct.

With regard to patronage, I did start solving the problem by deciding not to give exclusive consideration to Conservative recommendations.

[*Text*]

**Mr. Speaker:** The right hon. Leader of the Opposition.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, the question I wanted to ask has been asked. All I can say now to the hon. gentleman, having received the news of his promotion to another place, is that we now know he is about to leave us.

## AGRICULTURE

TOBACCO—ANNOUNCEMENT OF ESTABLISHMENT OF SUPPORT PRICE

On the orders of the day:

**Mr. J. A. McBain (Elgin):** I wonder if the Minister of Agriculture is prepared to answer the question I asked yesterday with regard to the support price on tobacco.

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, the agricultural stabilization board has been authorized to support all grades of flue cured tobacco, other than special factored and nondescript, marketed from the 1963 crop produced in Ontario at a prescribed price of 47 cents a pound, which is 90 per cent of the ten year average or base price. The board has also been authorized to make payments for the benefit of producers in other provinces on the sale of their 1963 crop of an amount per pound equal to any payments which may be made to producers in Ontario.

## PENSIONS

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—PROVINCIAL WILLINGNESS TO SHARE IN INCREASE

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Can the minister now say how many provincial governments have indicated

to the federal government their willingness to share in the cost of increasing the pensions paid under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** No, I can not.

**Mr. Knowles:** Can the minister say whether the province of Manitoba has so indicated?

**Miss LaMarsh:** Not with certainty.

[*Later:*]

**Hon. Michael Starr (Ontario):** I should like to ask the Minister of National Health and Welfare if the federal government is prepared to share with the provinces in increasing the pensions payable to the blind.

**Mr. Woolliams:** She is reading the newspaper.

**Mr. Starr:** I think the hon. lady did not hear me, so I will repeat my question. Is the federal government prepared to share with the provinces in increasing pensions for the disabled and the blind?

**Miss LaMarsh:** First, may I say I was not reading the newspaper but was answering departmental correspondence.

In answer to my hon. friend, may I say that I am sure he has been in the house and has heard this type of question asked a number of times. He knows what was introduced in the house yesterday by the Minister of Justice. This is one of the matters which will be under consideration at the dominion-provincial conference commencing on November 25. As such, it is not a matter within the realm of decision making, because it is open for discussion between the provinces and the federal government.

I should like to say that we are receiving many representations, many letters from those interested, both recipients of benefits under shared programs and those who are related to or otherwise interested in such programs. This has assumed rather large proportions. There is a study being undertaken to determine whether these programs should be continued in the same form or another form, transferred to the provinces, or what should happen to them. Because the matter is on the agenda, because it was discussed in the September conference, we expect the provincial governments will come with their minds made up or with suggestions which may be adopted. As a result of that free debate, we will be in a position to inform the house after the conference what steps we will take.

**Mr. Starr:** May I ask a supplementary question. Has the federal government made a decision to participate with the provinces, if they are willing, in the increases to these people?

**Miss LaMarsh:** The federal government does participate already. We do not know in what way the proposals will be changed. The federal government has been studying them and has a number of alternative proposals. I cannot say at this time which of these may be satisfactory to the provinces.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I have a question for the President of the Privy Council, which is of some importance in view of the statement made by the Minister of National Health and Welfare. I wonder if the minister would care to amplify the statement he made in Toronto early this week, to the effect that the federal government should get out of certain joint programs and compensate the provinces so that they can carry on the programs themselves. Was this a statement of policy that the federal government get out of these programs and does this include such things as hospital insurance, old age assistance, pensions for the blind and pensions for the disabled?

**Hon. Maurice Lamontagne (President of the Privy Council):** I do not believe I have anything to add to what I have already said. I have stated this week that when I made this speech I merely repeated the attitude taken by this government. I should not be expected to elaborate on this on orders of the day.

**Mr. Heward Grafftey (Brome-Missisquoi):** May I ask a supplementary question. Was the minister referring to all joint programs or some of them? That is all we want to know.

**Mr. Lamontagne:** Mr. Speaker, I referred to well established existing programs.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I have a supplementary question to ask the Minister of National Health and Welfare. In her previous answers she stated she had a great deal of correspondence and letters in connection with the matter under discussion. Has she tabulated these in accordance with the type of answer, and can she give us any idea of the general tenor of the letters she has received?

**Mr. Speaker:** Order, please. Before the minister replies may I quote Beauchesne's fourth edition, citation 171(w) which says:

> A question oral or written must not:
> (w) raise a matter of policy too large to be dealt with in the limits of an answer to a question.

It seems to me the minister has made long and detailed replies, and we are very rapidly descending into a debate. In spite of the importance of the matter, I put it to hon.

members whether we have not gone far enough along this line at the moment.

**Mr. Douglas:** On that point of order, Mr. Speaker, may I say the minister has given long answers but they contained very little information. What I asked the president of the council was a simple question, as to whether it is now accepted government policy that the federal government intends to withdraw from joint programs and, if so, what are the programs?

**Mr. Lamontagne:** Mr. Speaker, I intend to abide by your ruling.

**Hon. J. W. Monteith (Perth):** Mr. Speaker, may I ask a question of the Minister of National Health and Welfare. If the majority of provinces meeting here on November 25 indicate a desire to increase the old age assistance, and blind and disabled allowances to an amount equal to the present old age security payments, is the government prepared to go ahead and amend the acts accordingly?

**Hon. J. W. Pickersgill (Secretary of State):** On a point of order, Mr. Speaker, the question asked by the hon. gentleman, who is an experienced privy councillor, began with the word "if" and is therefore a hypothetical question, which is against the rules.

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to direct a question to the President of the Privy Council. Could he tell the house whether he will be a member of the federal government's delegation at the federal-provincial conference that will convene on November 25?

**Mr. Lamontagne:** Mr. Speaker, the delegates have not yet been designated.

[*Text*]

## PUBLIC SERVICE

### REQUEST FOR REPORT OF CIVIL SERVICE COMMISSION ON BILINGUALISM

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I put a question to the Secretary of State?

On August 1, as reported on page 2879 of *Hansard*, the Secretary of State gave us the assurance that the civil service commission would provide all possible information about bilingualism in various government departments. On October 1, I asked the Secretary of State for information on this matter and he replied that he would submit a preliminary report in the near future. The same thing happened on October 16, as reported on page 3630 of *Hansard*.

I should like to ask the Secretary of State whether he is in a position to give us a preliminary report or to tell us what progress has been made in the investigation conducted by the civil service commission on the matter of bilingualism in the various departments of the federal government.

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** No, sir, I cannot at the present moment. I understand the commission is working concurrently on its submission to the royal commission and a report to the house, and as the hon. member knows Mr. Pelletier, one of the members of the commission, recently became the deputy minister of veterans affairs. He was succeeded by a new commissioner, and I think we would all expect the new commissioner would need at least a week or two to familiarize himself with the work of the commission before we can expect such a document.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, may I put a supplementary question?

Does this mean that we shall receive a preliminary report from the civil service commission within the next two weeks?

[*Text*]

**Mr. Pickersgill:** I would not like to give any such undertaking. The civil service commission is an independent body set up by parliament, to which the government is not allowed to give any direction. It would be very improper for me to give any directions to them, but I will let them know the hon. member's desire to have this report.

## INCOME TAX ACT

The house resumed, from Wednesday, November 6, consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 16—*Exemption of income from manufacturing or processing business in designated areas.*

**The Chairman:** Order. When we rose last night we were considering clause 16 of the bill with an amendment proposed thereto by the hon. member for Wellington South. Is the committee ready for the question?

**Some hon. Members:** Yes.

Amendment (Mr. Hales) negatived: yeas 56; nays 95.

**The Chairman:** I declare the amendment lost.

**Mr. Monteith:** May I ask a question for clarification and information. At what point, during your putting of the question and from then on, would hon. members not have a right to vote?

**The Chairman:** I would refer the hon. gentleman to standing order 12(2), which says:

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

I assume this is the standing order which applies on the calling of a vote.

**Mr. Monteith:** In committee also?

**The Chairman:** In a committee also.

**Mr. Chevrier:** And there was lots of noise.

**The Chairman:** Shall the clause carry?

**Mr. Rynard:** I want to make a few comments on the method of designation of areas, which provides that they must have less than 50 per cent of the national average employment over eight years, and have high summer unemployment. This is a very discriminatory method of designating areas, because there are many tourist areas which have high summer employment but still suffer severely from a high rate of winter unemployment.

I would like to ask the minister what research, if any, has been made with regard to the designated areas. I am sure some of them have been areas of full employment in the past, and what assurance is there that after the expenditure of hundreds of thousands of taxpayers' dollars, the same conditions will not exist which drove industry out of those areas previously? In other words, has any investigation been made into whether the climate in those areas is favourable or unfavourable for industrialization? Has any investigation been made into water and sewerage facilities, and the general conditions existing? Has it been determined whether an industry which goes into a particular area is likely to flourish in that area?

It is a strange situation that the designated areas in Ontario are ones which are represented by cabinet ministers. I could name some of them, but at the moment my strong objection is to the method of designation. To my mind it contravenes dominion-provincial relations and dominion-provincial-municipal relations. Surely the person on the ground, who lives in an area, collects taxes, and observes it over the years, knows whether it is an area that wants help.

As far as I can see, this government is staking a knowledge of statistics against the knowledge of people. To my mind that is altogether wrong, and for these reasons I cannot support this bill.

[*Translation*]

**Mr. Latulippe:** Mr. Chairman, I would like to make a few remarks with regard to Bill C-95. We are now discussing clause 16, which says:

This new section provides a 36 months exemption from tax for income tax from a new manufacturing or processing business in a designated area. This clause implements paragraph 2 of the income tax resolution which reads as follows—

I want to draw the attention of the Minister of Finance (Mr. Gordon) to this matter. I would like to defend small business: there are quite a number of small industries throughout Canada, and quite a few in the province of Quebec, which can barely operate. Many of those small industries would need some sort of help, but, according to this clause, only new industries will benefit from those income tax exemptions.

With regard to industries which have been operating for some time, I believe it will be rather difficult to have them move to other areas. For instance, industries that are in centralized areas, like Quebec, Montreal, or Sherbrooke, are not likely to go and settle in some other area without proper means of transportation, or where transportation is much more costly and markets inadequate. Let us, for instance, take an industry in the city of Montreal: according to statistics, it can sell almost 25 per cent of its production locally; but, if that industry settles elsewhere, it will lose this advantage of selling 25 per cent of its production locally, without having to pay for transportation.

And the larger centres offer many other advantages which do not exist elsewhere. In a centre like Montreal—to take that city again as an example—where there is an abundance of specialized labour, industry does not find it too difficult to obtain what it needs in that field.

On the other hand, while there is plenty of manpower in remote centres, there is no skilled labour force. The industry which will set up in those centres will have to train and organize a new manpower. Small industries have much difficulty in getting established and in maintaining their development, because of the many problems which the larger centralized industries do not have.

For instance, as regards the manpower problem, the small industry must organize it itself and train the young people of the area. There is practically no skilled labour in those areas. So, the small industry must train the workers.

According to the statistics I have here, the small industry must train some ten

people before it can keep one skilled worker who will be able to do the job. The small industry must train several persons because once they know their trade, there are always some who will go to work in the larger centres where skilled labour is in great demand and better paid. So, the small industry has to train about ten people in order to keep at least one trained worker, which means that its costs are that much higher and its profits, that much lower.

With regard to the financing of small industries in remote centres, where can they find the help they need? In the first place, the various governments, federal, provincial, municipal, the school boards, the church councils collect taxes and sell debentures on a year round basis. The governments undertake campaigns to sell debentures, and consequently all the money goes to them.

The federal government, for instance, sells a lot of debentures; the provincial governments, the school boards and the municipalities do the same. In the meantime, the small industries also try to sell debentures to raise capital but they get only what is left. Sometimes they are unable to find the money needed for expansion, which means they have to spend years barely managing to survive.

I know personally several small industries, and am apprised of the difficulties they are up against, in that field. Some of them have been operating their plants or their businesses for ten or 15 years practically without profit. I even know industries which have been in operation for ten years, and have suffered yearly losses of $10,000, $15,000 or $20,000, those losses being made good by the income of some more profitable ventures. On the eleventh year, there is profit at last. But, then it has to pay income tax, whereas it should be granted an exemption to make up for the losses of the previous years.

Now, that is the matter upon which I call the attention of the Minister of Finance. I feel that it would be a good thing to grant small industries the same tax exemption the new industries are getting under the policy the Minister of Finance has set out in Bill C-95.

These small industries, which can barely make ends meet, cannot find the capital they need, except through banks which lend at an interest rate of about 10 per cent. However, some municipalities have begun to help out industry.

There is the industrial development bank whose function we all know. But an industry must have been in operation for three years and earned profits. If an industry cannot meet those conditions, the industrial development bank is not interested.

[Mr. Latulippe.]

As the small industry cannot get a loan from the industrial development bank, nor from other sources, because all the money goes for the purchase of all sorts of debentures issued by the federal, provincial and municipal governments, I believe that it is in real need of tangible assistance in order to develop.

The expansion and development of small industries, I believe, would be less expensive than to establish new ones because, as I said before, new industries are not interested in settling in new areas which are located far from the larger centres. Furthermore, only the local folks, who like to live there, who have their relatives there, would agree to remain there and work for those industries.

Therefore, Mr. Chairman, on account of all the factors involved, the Minister of Finance will have to show more concern for the problems of the small industry, because its requirements are basic. It is essential to help small industries, if we are to provide for the development of the whole country.

It is recognized that industry is the basis of capital, the basis of social economy. It is recognized that industry puts into circulation the money of the employees, to provide a living for the professionals, who live from workers' salary. The professionals live on the money they draw from those who earn it in industry. In general, almost all the professionals live on what the worker gives them. In turn, the worker takes his money in industry. However it is to industry that the less attention is paid. Our attention should be directed towards the smaller industries which will grow one day.

A three years or 36 months tax exemption is not so much to give assistance to industry. To really help industry, the larger industries should be encouraged to move to the various centres, and the government should do something entirely different, for instance, pay 50 per cent of the cost of the removal and of the construction of plants. The government should pay grants on transportation. Otherwise, industry will not be encouraged to resettle, and the government will then have to do something else.

I therefore do not believe that the amendment to Bill C-95 brought forward by the Minister of Finance will be of great help to the people and to Canada. I am of the opinion that the best service the minister could render would be to take an already existing industry and set it on its feet again, to see to it that it can at least survive, by granting it the tax exemption granted new industries.

That is why, Mr. Chairman, I have an amendment to submit to the Minister of Finance so that he may clarify his bill as

much as possible. I know that the minister will look into the problem and will try to find solutions.

The amendment which I propose reads as follows:

I move, seconded by Mr. L. P. Antoine Belanger, that section 16 of the bill be amended by adding section 16 A which reads as follows:

This section will also apply to small industries already set up in the said designated areas, in addition to industries which will improve their plants or buy new equipment.

This is the amendment which I submit to the house, Mr. Chairman.

**The Chairman:** It is moved by the hon. member for Compton-Frontenac (Mr. Latulippe):

That section 16 be amended by adding section 16(a), which reads as follows: 16(a) This section will also apply to small industries already set up in the said designated areas, in addition to industries which will improve their plants or buy new equipment.

I would point out to the hon. member that I have some doubt as to whether this amendment is valid and in order. I will now be pleased to hear the committee's views in this connection.

Is the committee ready for the question?

**Mr. Martineau:** Mr. Chairman, you expressed some doubts as to the validity of the amendment. You might make a ruling on its validity before putting the amendment.

**Mr. Gregoire:** Mr. Chairman, as to the validity of the amendment, I feel that it supplements the proposals made by the minister.

The purpose of the bill is to help certain areas known as designated areas. Exemptions are granted to new industries in order to help the designated areas.

The purpose of our amendment is to provide further assistance to designated areas, and this is entirely in keeping with the meaning of section 16.

I fail to see why this amendment is not valid and completely in order.

[*Text*]

**Mr. Gordon:** Mr. Chairman, as to whether or not the amendment is in order, I would just say that the proposal in the bill to provide incentive to new businesses to locate in designated areas is a very generous one. The purpose is to encourage new enterprises to locate in these designated areas and to provide the productive base for future development and additional employment.

I suggest with respect that this amendment goes much further than was contemplated in the bill. While I listened with great interest to the hon. member's speech, which I thought was a good one, and while I agree with him that we should encourage small businesses all through Canada, I should not like to restrict that situation only to small businesses in these areas. I respectfully suggest that this proposed amendment goes much further than is contemplated in the bill, and that therefore it is out of order.

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, I am very surprised at the position taken by the government about this particular section of the bill.

We hear at every turn the President of the Privy Council (Mr. Lamontagne) making speeches here and there and state that the government will try—

**An hon. Member:** On a point of order.

[*Text*]

**Mr. Pickersgill:** On a point of order—

**Mr. Pigeon:** If the hon. member will make his point of order I will sit down.

[*Translation*]

**The Chairman:** Is the hon. member speaking on the point of order? At present, we are listening to arguments concerning the point of order.

**Mr. Gregoire:** On the point of order—

**Mr. Belanger:** In my opinion, the proposed amendment does not widen the general scope of the bill.

Now, in the section under consideration, the minister proposes to reduce unemployment by helping the development of industry.

We claim that with our amendment, it would be easier and cheaper for the government to look after small industries which are in financial difficulties and which could be profitable if they were given the same advantages as the new industries.

We sincerely feel that this bill will be useless in many cases as we showed a while ago. It is not advantageous for an established industry to move to an underdeveloped and depressed area.

In our opinion, the amendment does not go any further than the bill and we claim that it would be cheaper to help existing industries than to set up new ones.

[*Text*]

**The Chairman:** The amendment proposed by the hon. member is, of course, imaginative and very interesting, but I am afraid that in the light of the arguments which have been submitted for the guidance of the Chair and the research I have quickly made in relation to this amendment, I do not hesitate to say that it is out of order.

*Division*

The amendment introduces an entirely new proposal, which no amendment should do at this time, I should like to refer the hon. member to May's sixteenth edition, page 793, where it is said that an amendment must relate to the matter under consideration, and is governed by the rule of relevancy. On this basis I think the amendment, which goes beyond the particular scope of this clause, is out of order. I also think, in spite of the remarks just made by the hon. member for Charlevoix, that this amendment would tend to bring in a new class of industries which would benefit from the tax incentive, and which would thus indirectly be a charge on the treasury. For these reasons I submit that the amendment is out of order.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I appeal against your ruling.

[*Text*]

**The Chairman:** Is the hon. member appealing from the ruling of the Chair?

[*Translation*]

**Mr. Gregoire:** Yes, Mr. Chairman.

[*Text*]

**Mr. Deputy Speaker** resumed the chair, and the chairman of the committee made the following report:

In committee of the whole, when clause 16 of Bill C-95, an act to amend the Income Tax Act, was being considered, the hon. member for Compton-Frontenac proposed in amendment the following:

That clause 16 of this bill be amended by adding clause 16A, which would read as follows:

16A. This section will also apply to small industries already set up in the said designated areas, in addition to industries which will improve their plants or buy new equipment.

The Chair decided that the effect of the proposed amendment would be to introduce an additional group of industries not covered in the main proposal and in consequence thereof the amendment was not relevant to the clause. Whereupon the hon. member for Lapointe appealed to the house from the decision of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Balcer
Baldwin
Batten
Bell
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Byrne
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Caron
Carter
Cashin
Casselman, Mrs.
Chevrier
Choquette
Clancy
Coates
Côté (Longueuil)
Crossman
Cyr
Danforth
Denis
Deschatelets
Diefenbaker
Dinsdale
Douglas
Drouin
Dupuis
Emard
Enns
Ethier
Eudes
Fane
Favreau
Forbes
Forest
Garland
Gelber
Gordon
Grafftey
Greene
Guay
Habel
Haidasz
Hales
Hamilton
Harley
Hays
Herridge
Honey
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jorgenson
Klein
Knowles
Korchinski
LaMarsh, Miss
Lamb
Lamontagne
Laverdiere
Leduc
Loiselle
Loney
Macaluso
Macdonald
MacEwan
MacNaught
Macquarrie
McBain
McCutcheon
McIlraith
McLean (Charlotte)
McMillan
McWilliam
Madill
Mandziuk
Martineau
Mather
Matte
Millar
Monteith
Moore
More
Moreau
Morison
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Mullally
Munro
Nicholson
Nowlan
Nugent
O'Keefe
Olson
Orlikow
Ormiston
Otto
Pascoe
Paul
Pennell
Pepin
Peters
Pickersgill
Pigeon
Pugh
Regan
Rheaume
Ricard
Richard
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Rynard
Simpson
Skoreyko
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Teillet
Thomas
Tremblay
Tucker
Valade
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Webster
Whelan
Willoughby
Winkler
Woolliams—154.

NAYS

Messrs:

Beaule
Belanger
Boutin
Dionne
Frenette
Gauthier
Gregoire
Latulippe
Ouellet
Perron
Plourde—11.

[The Chairman.]

**Mr. Deputy Speaker:** I declare the ruling confirmed.

[*Translation*]

**Mr. Lessard (St. Henry):** Mr. Speaker, I was paired. Had I voted, I would have voted in favour of your ruling.

[*Text*]

**Mr. Beer:** I was paired. Had I voted, I would have voted to sustain your ruling.

**Mr. Turner:** I was paired. Had I voted, I would have voted to sustain your ruling.

And the house having resumed in committee:

**Mr. Grafftey:** Before we proceed any further I would like to note that the other day the hon. member for Renfrew South indicated in an article that there was not enough polarization of debate and the people of Canada did not see enough difference in principle between the two major parties. What I wish to underline this afternoon is that in our discussion of designated areas there is a definite difference in principle regarding our approaches to this problem.

One of the main principles of the party I support in this house goes back to the time of Burke when the idea of local self-agency was promoted. It simply means that municipalities often know what is best for themselves and how best to govern their own affairs. This is a major difference in approach as between the two major parties.

We consulted the municipalities: You designated without consultation. When we brought in the notion of surplus manpower areas we never went forward unless the municipalities were consulted in advance, and this is a principle that is written right into the heart of my party's approach. A treasury bench, one third of which is made up of ex-senior bureaucrats, has adopted this attitude of designation without consultation, and that is what we are fighting against this afternoon.

I fully realize that the government of the day has a great responsibility in the field of stimulating the economy and employment, but I ask members of the government, have you not learned your lesson yet? Have you not learned your lesson that your whole economic problem has floundered because of lack of consultation? You never consulted the provinces in relation to your pension scheme or in relation to the municipal loans fund question. Lack of consultation keynotes the whole reason why the government is floundering in relation to its economic program; and in relation to the first area it designated I ask, is not the proof of the pudding in the making?

I do not want to underrate the importance of statistics. Of course in a plan such as the government has in mind, statistics and centralized control here in Ottawa, play an important part in determinations before designating an area; but what we would like to know either from the Minister of Finance, the Minister of Industry, or the Minister of Labour, is whether in future the municipalities are going to be consulted before they are designated. If the hon. member for Renfrew South really wants polarization in debate, this notion of consultation is one that separates the two major parties in the house.

The party I support was the party which fathered confederation. Today we are fathering, again and again, this notion of co-operative federalism. Through our ARDA program and in the field of natural resources we went forward in good will, in co-operation and in a spirit of consultation with the provinces. We are the ones who have pioneered this whole area of co-operative federalism. Hon. members opposite talked about co-operative federalism in their speech from the throne, but their whole performance since then has been keynoted by a retreat from that spirit of co-operative federalism. Unless they accept our warning today, and assure us they will consult the municipalities in future before designating areas, then in a very short time we shall witness in this house—and mark my words—another retreat.

In a by-election in a constituency across the water somebody recently made the remark—and I think the remark was based on Conservative principles—that Westminster does not necessarily know what is good for Scotland. I think, underlining Conservative principle in this house, and especially in a nation with a large land area and sparse population, that Ottawa, no matter how wise the ex-bureaucrats are, does not always know what is best for the municipalities.

If you really believe in centralization across there, and I believe you do—you are the centralizers—you need have no fears by simply extending to municipalities, local governments and provinces the courtesy of consultation, because you will not necessarily be delegating your powers away forever. Before this debate is over I hope either the Minister of Finance, the Minister of Industry, Minister of Labour, or all of them together, will assure us that this spirit of co-operative federalism, inspired and pioneered by the government I supported prior to the last election, will be put into effect. I mention our approach to ARDA and the resources field, and hon. members opposite must realize, no matter what they say or think, that municipalities are still creatures of the provinces.

**Mr. Pickersgill:** Would the hon. gentleman permit me to ask a question?

**Mr. Grafftey:** Yes.

**Mr. Pickersgill:** Is the hon. member aware the address in reply to the speech from the throne was adopted a long time ago?

**Mr. Grafftey:** It might have been adopted by a vote, but it was not adopted in spirit by hon. members opposite. If you adopted the speech from the throne which contained this notion of co-operative federalism, far be it from me to suggest in reply to the Secretary of State that for one minute you have practised the spirit you meant to adopt. In fact you have turned your back on the municipalities—

**Mr. Pickersgill:** Mr. Chairman, I am going to raise a serious point of order. It was agreed that on clause 1 of the bill there would be a general debate, and there was no effort made in any way on the part of the government to restrict the general debate on that clause, but we are now on clause 16, and there is a rule of the house that argument on a clause of a bill should be relevant to the clause. I was seeking by my earlier question, in a gentle way, to draw the hon. member's attention to this rule of the house, but since I do not seem to have succeeded perhaps I should ask Your Honour if it is in order to make these wide-ranging speeches on clause 16 of the bill?

**Mr. Grafftey:** In reply to the point of order I simply say I am not entering a general debate, I am talking about the specific principle of consultation, and all I ask before I take my seat is that one of the ministers concerned with this clause should guarantee to us that the courtesy of consultation will be invoked before any further areas are designated. This is not a general debate, but I repeat that this principle separates the major parties in the house in relation to their approach to this and similar problems.

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, it seems to me the government should think again and change its mind about this clause which infringes upon provincial autonomy, since municipalities are under the provinces' jurisdiction.

Now, I wonder why the government did not ask the provinces to designate the areas where unemployment and economic stagnation were more serious than elsewhere. Surely, it would have been easy and more in keeping with the autonomy of the provinces to have the provinces themselves designate those areas and submit the required recommendations to the federal government.



I fail to understand the government's attitude. We hear the President of the Privy Council (Mr. Lamontagne) speak often enough of handing back to the provinces their taxation rights. He is an advocate of the new federalism.

What does he mean by this new federalism, when certain measures are being forced upon municipalities without the provinces being consulted?

I am of the opinion that this is not the way to get better co-operation between the federal government and the provinces; on the contrary, I believe that the government's position is to ignore the provinces, and this prompts me to ask the minister a question.

Why does the government decline to ask the provinces to designate those areas? We shall know from the minister's answer what the position is.

[*Text*]

**Mr. Gordon:** I would be glad to answer the hon. member. I think that question would be more properly put to the Minister of Industry when his estimates are up for consideration.

**Mr. Pigeon:** I do not think so.

[*Translation*]

I think that the minister is afraid to answer, because he realizes that his government has made an error by refusing to ask the agreement of the provinces. In my opinion, the government is unwise in refusing to revise its attitude in that regard.

[*Text*]

**Mr. Skoreyko:** Last Friday I spoke briefly on this bill and pointed out the problems experienced by small businesses which might wish to establish a new business or a subsidiary in a designated area.

The other day I noticed in the Ottawa *Journal* that the Minister of Industry, addressing the Ottawa Rotary Club, said that, although the government was concerned with industry, its interests did not lie in directing it or running it but, rather, in aiding it to expand and provide employment. When one looks at this particular subclause of clause 16 he wonders who had what in mind when this provision was drawn up. I refer specifically to subclause 3. May I read it briefly and explain how I interpret it. It says:

> For the purpose of this section, a person shall be deemed not to have been carrying on a business in a designated area in a fiscal period unless
>
> (a) throughout the fiscal period the aggregate of the capital cost of all machinery, equipment (other than delivery equipment) and buildings situated in the designated area that were owned by the person—

Subclause A deals with owned machinery, and it goes on under B to deal with leased

machinery. Then it says, in line 17, that the aggregate amount must be at least 95 per cent of the aggregate of the capital cost of machinery, equipment—other than delivery equipment—and buildings wherever situated.

I would be very interested to have the minister's interpretation of what the words "wherever situated" mean. My interpretation is that the parliament of Canada cannot legislate with regard to business outside the country. Therefore, I must assume that the word "wherever" means "wherever in Canada". If this is the case, a Canadian business does not qualify because 95 per cent of the new machinery and equipment acquired must represent 95 per cent of the total assets of the company.

Let us take, as an example, a firm in the city of Ottawa which has buildings, equipment and machinery to the value of $10 million. If it wishes to establish in a designated area, whether it be in Brantford or in Blairmore it could do so, but its total assets in the city of Ottawa must represent 5 per cent of its total holdings when the new plant is built. I say that what we have really done by bringing this legislation before parliament is to open the door for foreign capital to enter this country, while closing it to our own corporations. If I am wrong in this contention, I hope the minister will explain to me, later on, what this means. My interpretation of this subclause is that it amounts to an economic boycott of Canadian industry. What is the partial solution, then? I intend to move an amendment to this clause—and I hope it will be accepted—to reduce the 95 per cent requirement. Though the fixing of any specified amount may result in a burden being imposed on certain business, a less stringent requirement would certainly be of some assistance. A partial solution, then, might be to amend the requirement from 95 per cent to 25 per cent, thus allowing smaller businesses to establish themselves, and permitting larger firms to establish subsidiaries or branch plants in the designated areas. I do not think the figure of 25 per cent is unreasonable, even if General Motors were to build a plant in one of the designated areas of the size and volume which would make the Oshawa plant representative of 5 per cent of their holdings here. I think some consideration should be given to this proposal, and I hope an explanation will be forthcoming.

I do not wish to take up any more of the time of the committee than is necessary, but I should like to summarize my views on this subject. I think the legislation as it stands precludes Canadian business from establishing subsidiary plants in designated areas, though it allows foreign companies to move into those areas and take advantage of the income tax holiday and the accelerated capital cost allowances. This purports to be legislation to encourage businesses to establish themselves in designated areas, but it appears to me to be ill-conceived and completely unworkable. In particular, I believe line 21 of subclause 3 should be withdrawn, or reworded to eliminate its present discriminatory character. This is the line which reads "and buildings wherever situated". In view of the declared intention behind this measure, the 95 per cent requirement is unworkable and amounts to economic boycott of Canadian industry. The entire clause 16, which enacts section 71A is, in my opinion, drawn in such a way as to encourage foreign investment while at the same time denying the incentive so necessary to Canadian business.

I therefore move, seconded by my hon. friend from Regina City (Mr. More):

That clause 16 section 71A. subclause (3) be amended by substituting 25 per cent in place of 95 per cent in line 17 and by substituting 25 per cent in place of 95 per cent in line 45.

**Mr. Benson:** Mr. Chairman, before we vote on this question I should like to point out that the hon. member is absolutely wrong in stating that this in any way favours foreign-owned businesses moving into an area. The reason for using 95 per cent is to ensure that industries which get advantage of the generous provisions provided under this clause, depreciation allowances, and so on, are new businesses. The reason 95 per cent is used is to ensure that new machinery, equipment and new buildings are constructed by these particular businesses.

**Mr. Skoreyko:** May I ask the minister one question. I pointed out the other day that I had a delegation in my office who were prepared to build a boiler manufacturing plant in the city of Brantford. By reason of the fact that new boiler manufacturing equipment in the United States costs a lot of money—in fact it is prohibitive—they were able to buy from a company in the United States who were enlarging their facilities second hand equipment at almost one tenth the cost of new. These people would be able to put 45 people to work the day they opened, but the law precludes their doing this at all. I say again that if you do not want to accept the figure of 25 per cent let us make it 50 per cent; but let us give these smaller people some kind of break.

**The Deputy Chairman:** Shall the amendment carry?

**Mr. More:** I do not want to prolong the debate, but am I to take it that the government's position is adamant, that there should be no change at this stage?

**Mr. Caron:** No change in plans.

**Mr. More:** Does the minister think that he will accomplish his purpose with this restriction in the clause?

**Mr. Gordon:** I thought we were on the amendment, but if I may answer the question I would be glad to. The whole purpose of this section is to concentrate on new businesses. If you include a provision which would allow these businesses to bring in second hand machinery, you are going to be competing with somebody else, which is the thing we do not want to happen.

**Mr. Pugh:** Surely where the business qualifies and meets the other requirements of the clause, taking the minister's words, what he is trying to do is to get new businesses, so surely the fact that new equipment may be necessary or may not should not make any difference. Does a new business need to have everything new? I think it is most unreasonable to say that they would have to get new equipment, that they would have to buy new equipment whether they are starting a new business or not. In other words, the cost of new equipment might preclude the starting of a new business. It seems to me most unreasonable that that should be the case. In other words, the minister says: "You are a new business, but look out, boys, we want to have no competition, or do not want you to compete with others". I do not want to use the word "ridiculous", but it is really a ridiculous assumption that this would preclude a new business from starting operations.

**Mr. Gordon:** Just in answer to that, if we went along with the suggestion made by the hon. member—and I must say I sympathize with him when he gets down to that specific case—if we did open it up like this, it would be an invitation to all sorts of businesses just to sell their present machinery to somebody else. This machinery would then become second hand and we would find we were trying to deal with something which we would not be able to handle.

**Mr. Skoreyko:** I may not have pointed this out to the minister, but the equipment which these people are buying from the United States is not procurable in Canada. Cannot that sort of restriction be put on it?

**Mr. Gordon:** I am sure there will be the odd case like that, but I do not think there will be very many. When this was being considered we attempted to find a broad definition which would not be subject to wide abuses, and that is why it is provided in this way.

**Mr. Hales:** I think the minister is at cross purposes with the principle of this business of designated areas. As I understand it, an area is designated to produce new jobs and raise the economic growth of the community. I think that is the principle, and we are all agreed about that. Does it make any difference to the minister whether a man works on an old lathe or a new lathe? His purpose is to create employment, and whether a man works on an old lathe or a new lathe, or any kind of machinery, should make no difference. I think the minister is out to create jobs, but the clause of the bill which my hon. friend just mentioned prohibits this very thing the minister is trying to promote.

**Mr. Drury:** Some representations were made to me about designated areas by the hon. gentleman who has just spoken. One of the things which was worrying him considerably was the prospect, of which I think we have had warning, that industries now operating in a non-designated area would merely pick up their machinery and equipment and move into a designated area, thus depriving the designated area of the advantages of such an area. I suggest this is what is most likely to happen if the present legislation is amended so as to allow the advantages of accelerated depreciation and income tax incentives in respect of second hand or used machinery. It is precisely to avoid the likelihood of businesses which, rather than expanding and creating new operations, merely shift their scene of operation from one area to another that we need this provision.

**Mr. Pugh:** The amendment calls for the substitution of 25 per cent instead of 95 per cent. The thing I am trying to figure out is how the figure of 95 per cent was picked. Following along the statement of the Minister of Industry, it seems to me there is a lot of suspicion about Canadian business, that there is a sort of bureaucratic suspicion about Canadian businessmen. I cannot see any industry just packing up and moving to another town. That sort of thing is not undertaken quickly, and the minister has said that a business would have to erect a new building. Surely to goodness this would prevent any quick interchange of business. If a business is started in one place, I have yet to see where you can put it on a golf cart and walk across to the next tee or hole, as it were, and start it again in another place. You just cannot do it; it is a costly and time consuming business. So I come back to this word "suspicion", and I think this is wrong.

**Mr. Skoreyko:** The Minister of Industry a moment ago said that this legislation was designed to prevent movement of one industry from one place to another place or to a designated area. Not too long ago the Minister of Finance was being interviewed in Windsor, and I have a newspaper heading here which

says: "A wonderful opportunity for Windsor". He was asked at that time by a Dr. Phillips:

Could you give me a quick clarification of the significance of "new" in this context? If I just change the name of my business but I continue to do the same as before, does this mean it is new?

Mr. Gordon: No, but if you form a subsidiary and you build a great big plant next door, it is new.

**Mr. Gordon:** With new equipment.

**Mr. Skoreyko:** That is the minister's word. Then may I ask the minister to explain line 21, which refers to "wherever the building, machinery and equipment is situated". Is that in Canada or abroad?

**Mr. Gordon:** There are no designated areas abroad so it would have to be Canada.

**Mr. Skoreyko:** So that what I said about this being an economic boycott—

**Mr. Gordon:** I am sorry, I think I am incorrect in my answer there. This particular paragraph means "wherever they are situated".

**Mr. Skoreyko:** Does that mean anywhere in the world, then?

**Mr. Alkenbrack:** Mr. Chairman, this whole clause, as well as the bill, is so ambiguously worded, so confused—

**The Deputy Chairman:** Order. So that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is my duty to rise, report progress, and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Progress reported.

**Mr. Pickersgill:** Mr. Speaker, I wonder whether I might have leave of the house, before we go on with private members' business, to say a word about the estimates for tonight and tomorrow night, which I omitted to say before. If by any chance the estimates of the Department of Northern Affairs and National Resources should be completed tonight, and I would hope they might be, the Minister of Transport would be glad to go on with those items of his department that have not yet been taken. If the estimates of the Department of Labour should be completed during the sitting tomorrow night the Minister of Fisheries would be glad to go on and complete his department.

## MOTIONS FOR PAPERS

### PRINCE RUPERT, B.C., GRAIN ELEVATOR

On the order:

Notices of Motions (Papers)—Mr. Howard—That an order of the house do issue for a copy of all reports received by the government or any agency or branch thereof dealing with the grain elevator at Prince Rupert, B.C., since January 1, 1959.

**Mr. Howard:** Mr. Speaker, I wonder whether I might have permission of the house to discharge the order and withdraw this motion?

**Mr. Deputy Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

Order discharged and motion withdrawn.

### CORRESPONDENCE WITH ROLAND COMTOIS, REPENTIGNY, QUE.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm)** moved:

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Minister of Public Works or officers of the Department of Public Works, on one hand, and Mr. Roland Comtois, of Repentigny, constituency of Joliette-L'Assomption-Montcalm, on the other hand.

He said:

[*Translation*]

Mr. Speaker, I should not want to be too long, but I am most surprised that the Minister of Public Works (Mr. Deschatelets) for whom I have some consideration, has not yet tabled the documents I requested. He is taking refuge behind the word "official".

I wonder if the correspondence between the Department of Public Works and a candidate who was defeated at the last election truly constitutes official correspondence. That is why I should like to have that correspondence tabled, Mr. Speaker, to prove that, for all practical purposes, it is not your humble servant who was elected at the last election but the man I defeated?

**Mr. Gregoire:** That is true.

**Mr. Pigeon:** It is he, Mr. Speaker, who makes the decisions in the riding of Joliette-L'Assomption-Montcalm. It is he who makes suggestions to the government and to crown ministers, including the Minister of Public Works up to now. If this is not true, I would like the minister to table this correspondence so that we will know what is going on.

I do not consider the stand taken by the minister as normal. It is improper to refuse to provide such correspondence to an elected member of parliament.

I shall give you an example among many, Mr. Speaker, of what has been going on in the constituency of Joliette-l'Assomption-Montcalm since the government came into power.

I learned some time ago that a painting job was being carried out at the post office of L'Assomption.

Mr. Speaker, the work is being done by a painting contractor who is not a resident of that locality.

I have heard it said that the Department of Public Works—not the minister himself, but perhaps one of his four assistants in Montreal—had got in touch with Mr. Roland Comtois to ask him the name of two or three persons who might be interested in submitting tenders concerning the painting to be done at the L'Assomption post office. It seems Mr. Roland Comtois contacted two or three persons and told them: "Get together and see that one of you puts in the lowest tender." So that the person who got those contracts—

**Mr. Deputy Speaker:** Order. I understand the hon. member for Renfrew South (Mr. Greene) is rising on a point of order.

[*Text*]

**Mr. Greene:** Mr. Speaker, on a point order, it is my understanding that according to the rules of the house we should only discuss whether or not these documents should and must be produced, and not any substantive matters regarding the contents of the documents themselves. I respectfully submit to Your Honour that my hon. friend is discussing the substantive merits of what is or may be in the documents if they are produced and is not limiting his remarks, as they should be limited, to arguments whether or not the documents should be produced.

[*Translation*]

**Mr. Martineau:** Mr. Speaker, on the point of order just raised by the hon. member for Renfrew South, it is obvious that the hon. member quotes these examples to illustrate how important it is that these papers be tabled so that the house be thoroughly informed on the stewardship of my hon. friend the Minister of Public Works.

**Mr. Deschatelets:** Mr. Speaker, may I say a word on the point of order, which is very important and very relevant? We are now discussing the production of papers and the question relates to the nature of the correspondence involved.

I do not think that my hon. friend is able, with his well known imagination, to go beyond this matter, which is basically a matter of principle.

As my hon. friend can see, the answer I gave on October 30 is mentioned tonight in the discussion. I think he himself will admit that it is no time tonight to go beyond that discussion.

My hon. friend is well aware that we studied twice the estimates of the department, and that they will soon come again before the house, perhaps next week. Then he will have the opportunity to speak a lot as he is wont to do in and out of season; he will be entirely free to do so.

Consequently, I would ask him to postpone the discussion, because the question is completely out of order.

**Mr. Paul:** As to the remarks made by the Minister of Justice, pardon me, of Public Works (Mr. Deschatelets)—patronage is so rampant that one no longer knows which one of the ministers is the largest dispenser, which explains why I mentioned the Minister of Justice (Mr. Chevrier).

If the hon. member for Mercier wishes to speak, perhaps he could take his seat, since he has one in the front row. He is a bit premature in his endeavours and it would possibly be wiser for him to be in the back row where he could make his observations to the Speaker.

In his remarks, the hon. member for Pontiac-Temiscamingue indicated that the mover of the motion explains the reasons why he wants the documents to be produced. And it is in the light of the information given by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) that we will be able to decide on the validity of the arguments invoked by the Minister of Public Works who tells us about the official nature of that correspondence.

As long as we remain in the dark about the reasons why the hon. member for Joliette-L'Assomption-Montcalm moved that motion, we will be unable to decide whether or not the documents requested are of an official nature.

I submit that the remarks made by the hon. member for Joliette-L'Assomption-Montcalm are relevant to the motion he moved.

[*Text*]

**Mr. Macdonald:** On the point of order, Mr. Speaker, I submit to you that basically the debate at this time should really be limited to the question of whether or not documents which have been refused by the crown can be refused for the reasons stated by the minister. I submit that if a minister comes into the house and states that by reason of the prerogative of the crown it would not be in the public interest to make documents available or alternatively, if he comes in here and says that the documents are private correspondence and the private property of some individual subject of the crown and for that reason should not be disclosed to the hon. member for Joliette-L'Assomption-Montcalm and to the world at large, hon. members are in the position of having to accept the minister's word. Therefore it would not be in order to go into the character of the documents or the type of correspondence it might

be, because for that very reason the private interests of an individual citizen would be disclosed in public, and I would submit this would be against the proper order of the house.

If I may, I should like to refer to Bourinot's Parliamentary Procedure, fourth edition, page 249, where I find the following:

> Occasions may arise when the government will feel constrained to refuse certain papers on the ground that their production would be inconvenient or injurious to the public interests. A high authority writes on this point: "Considerations of public policy and a due regard to the interests of the state, occasionally demand that information sought for by members of the legislature should be withheld, at the discretion and upon the general responsibility of ministers."

**Mr. Knowles:** This is not a point of order.

**Mr. Deputy Speaker:** Order. I believe the hon. member is now going away beyond the point of order. He is actually debating the substance of the motion now before the house. The argument he is making now could very well be submitted to the house in the course of the debate.

The point of order which has been raised by the hon. member for Renfrew South is well taken. I am sure that the rules of the house are well known to every hon. member here. Indeed, all the comments made in connection with the point raised by the hon. member for Renfrew South indicate that members are substantially in agreement. If it is necessary to do so, I might again refer hon. members to a ruling made by His Honour, Mr. Speaker Michener, on February 8, 1962, which is reported in *Hansard* of that day at page 682. This is one of the classic references on this particular subject. I quote:

> The motion is one calling on the government to produce the documents referred to in the motion. The question in issue is whether or not they should be produced. Production of them has been objected to. It would be relevant to debate whether or not the grounds of objection were sufficient but in my view it would not be relevant to debate what the government should be doing about the breadth of international waters. That is another issue. The hon. member recognizes that the matter before the house is a narrow one. I hope we shall not turn this discussion into a debate as to what should be the course of the government in these international negotiations—

In other words, the point before the house is a very narrow one, whether these documents should be produced and whether the reasons invoked by the government for not producing them are valid. I am sure the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) will bear this restrictive statement in mind when he makes his comments.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I wanted to give concrete evidence of the fact that there has been correspondence between the Minister of Public Works or his department and Mr. Roland Comtois of Repentigny. That is what I had in mind. A typical case happened in the riding of Joliette-L'Assomption-Montcalm and the present situation is an insult to the people of the city of L'Assomption. Mr. Roland Comtois is given more importance than your humble servant.

[*Text*]

**Mr. Greene:** Mr. Speaker, I submit that the hon. member is continuing to do the same thing he was doing before Your Honour made a ruling. He is now discussing what correspondence he alleges there was, which is contrary to the letter of this motion. The only thing he can debate, as Your Honour quite properly ruled, is whether or not the correspondence should be produced. He cannot allege, as he was alleging, that the contents of such correspondence was of such a nature. He can only debate the question of whether or not the correspondence should be produced.

**Mr. Deputy Speaker:** This is a repetition of a point of order which was raised earlier. Is the hon. member rising on the point of order?

**Mr. Martineau:** Yes, on the point of order.

**Mr. Deputy Speaker:** I may say that I had made a ruling on it.

**Mr. Martineau:** This is another point of order arising from the remarks of the hon. member for Rosedale (Mr. Macdonald). He submitted to Your Honour that if a member of the government resists the production of these documents, then that becomes law. In other words, it puts the supremacy in the hands of—

**Mr. Macdonald:** I rise on a point of order.

**Mr. Martineau:** We are on a point of order.

**Mr. Macdonald:** I rise on a point of privilege.

**Mr. Deputy Speaker:** We cannot be on two points of order at the same time. Perhaps we should hear out the hon. member for Pontiac-Temiscamingue.

**Mr. Macdonald:** Well, Mr. Speaker, on a point of privilege—

**Mr. Martineau:** The hon. member will have a chance to answer.

**Mr. Macdonald:** My point of privilege is that Your Honour interrupted me in the course of my argument. I feel that the hon. member for Pontiac-Temiscamingue should not be permitted to reply to an argument which I was not in a position to complete. Either I should be allowed to complete the argument, or the hon. member should be called to order.

**Mr. Deputy Speaker:** The hon. member is quite right. I must say that I was just awaiting a favourable moment to intervene. Certainly, it seems to me the hon. member for Pontiac-Temiscamingue is referring to the argument which the hon. member for Rosedale started. I interrupted him because I thought that this was part of the debate. I believe the hon. member for Pontiac-Temiscamingue is also introducing an argument which should be submitted in the course of the debate.

We are, perhaps, being a little bit unfair to the hon. member for Joliette-L'Assomption-Montcalm, who is trying to submit to the Chair and to the chamber the very arguments, I am sure, that the hon. member for Pontiac-Temiscamingue is trying to put forward.

**Mr. Martineau:** I will be very brief on the point of order. I submit that because a member of the ministry refuses to produce a document, there is no reason—

**Some hon. Members:** Order, order.

**Mr. Martineau:** This is pertinent to the point of order. It is up to the house to decide whether or not these documents should be produced. It is not for a minister to decide; that is why we are having a debate.

**Mr. Deputy Speaker:** We all appreciate what the hon. member is saying now. It is for this reason we should allow the hon. member for Joliette-L'Assomption-Montcalm to submit his argument.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I will abide by your decision and will try to remain as close as possible to the motion now before us.

I only wanted to mention concrete cases. Actually, I mentioned one, and it is for this reason that I asked the minister to table the correspondence between Mr. Roland Comtois, of Repentigny, and the minister or the officials of the Department of Public Works. As a member of parliament, I am entitled to have that correspondence.

Mr. Speaker, when a member of the opposition asks, for instance, that the correspondence between the Prime Minister of Canada and the premiers of the provinces be produced, the government agrees in most cases. Therefore, I do not see why I should not have the right to ask the Minister of Public Works to table the correspondence with that "dispenser of patronage", with a man whom he encourages to engage in patronage. I have the right to have those documents, and I wonder why the minister refuses to produce them.

**Mr. Deschatelets:** Mr. Speaker, I rise on a point of order. If I remember well, a point of order was raised at the beginning of the remarks of the hon. member for Joliette-L'Assomption-Montcalm. You then rendered your decision to the effect that the hon. member for Joliette-L'Assomption-Montcalm should confine himself to the question before us.

However, on two or three occasions, the hon. member swerved from the topic, thus forcing us to rise on a point of order, with the resulting loss of much valuable time which would perhaps make it possible for us to conclude the matter this evening.

**Mr. Pigeon:** Mr. Speaker, I am talking about an exchange of correspondence, and in my opinion, that is a most important matter.

It happens fairly often that some members on this side of the house ask for the tabling of correspondence exchanged between the federal government and the premier of a province, and the government then agrees to do so. Why does the Minister of Public Works object to the tabling of the correspondence exchanged between himself, his departmental officials and Mr. Roland Comtois?

Mr. Speaker, Mr. Comtois was defeated by an overwhelming majority in the last general election. Does the minister attach more importance to a defeated candidate than to the premier of a province? Nonsense!

I feel that this is the very essence of democratic principles. As a representative of the people and in keeping with democratic principles, I have a right to obtain those papers even though the letters are marked "Personal" or "Confidential".

The minister refuses to table those letters. I actually know that correspondence was exchanged between Mr. Roland Comtois and officials of the Department of Public Works. What is the reason for the refusal to produce those documents? It is because a shameless system of patronage, the like of which has never been seen in Canada, is being concealed.

That is the only reason.

[*Text*]

**Mr. Greene:** Mr. Speaker, I should like to raise a point of order. Your Honour has ruled twice that the hon. member could not go into the substance of what he alleges is contained in these documents. If this house is to operate in any efficient and proper fashion, then the rules must be followed. There has been a great deal of criticism in the press of late about this house being a shambles. It is a shambles, and will continue to be a shambles if hon. members continue to ignore the rulings made by Your Honour. Not two or three days ago, but three minutes ago, Your Honour made a ruling, and in spite of that fact

the hon. member continues to deal with what he alleges is in the documents, and not whether they should be produced.

I often think, Mr. Speaker, that the rules were made and conceived in this house in the knowledge that hon. members were gentlemen and would abide by the rules. Instead of that, it appears that some hon. members—

**Some hon. Members:** Order.

**Mr. Martineau:** Mr. Speaker, the remarks made by the hon. member for Renfrew South imply that the hon. member for Joliette-L'Assomption-Montcalm is not a gentleman. We all know that he is.

**Mr. Deputy Speaker:** Order. I believe the hon. member for Renfrew South is going away beyond the point of order he was raising at the start. I feel that up to this point the hon. member for Joliette-L'Assomption-Montcalm has not strayed too far from the subject matter. It is so limited that I suggest if he were to limit himself strictly to the point that the rules allow, he probably would not have anything to say. I think some degree of leniency should be allowed. I will try to remind the hon. member, in the course of his speech, if I feel he is not abiding by the ruling which was made earlier today.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I abide by your ruling and before concluding my remarks, I wish to ask the minister, in the name of fairness and justice, of the respect for democratic principles, to let me have photocopies of the correspondence between Mr. Roland Comtois and the Minister of Public Works or some of his officials. There can be no reason for not tabling that correspondence, unless we are to be prevented from making known to the public the shameless system of patronage now going on and which I expose in the name of democratic principles.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I am a little amazed at the way things are shaping up, because as far as I am concerned, I always considered the Minister of Public Works (Mr. Deschatelets) as one of the most perfect gentlemen in the house. Indeed, if there is one member of the cabinet whose sincerity and honesty I would not doubt, it is precisely the Minister of Public Works, and please believe that this is said in all frankness and sincerity.

**Mr. Denis:** I am jealous.

**Mr. Gregoire:** Mr. Speaker, I hear the Postmaster General (Mr. Denis) say that he is jealous, but I can tell him that I have confidence in his integrity, even if certain circumstances might have called some suspicion to be aroused concerning certain patronage within his department.

Mr. Speaker, if I rise in this debate, it is because some words lack precision.

If my memory serves me right about recent events, several notices of motions for the production of papers have been put on the order paper; while these motions were being submitted, the Minister of Public Works used an expression that the Minister of Justice (Mr. Chevrier) had himself used a few moments before when he made some reservation by mentioning "all official documents," at the very moment when the Minister of Public Works was about to table the official documents, these words being thus invested with the same meaning the Minister of Justice had intended to give them.

Mr. Speaker, it seems to me that the words "official documents" are of a specious character; that is why I would like to know what is meant by "official".

We have ourselves submitted several notices of motion for the production of papers. The Postmaster General stated he was ready to table all the official correspondence.

I would like to ask the Minister of Public Works, the Minister of Justice and the Postmaster General, who must submit documents to the house, what they mean by the term "official"?

Suppose, for instance, that my former political opponent—I take this as an example—the former candidate in the riding of Lapointe who, needless to say, lost by a very large majority, writes to the Postmaster General (Mr. Denis) in those terms: "My dear Azellus, ..."

**Mr. Denis:** Very good.

**Mr. Gregoire:** I find it in the list I have here. "...I am very pleased to inform you that my third daughter is expecting a child in three months."

And in the following paragraph, my former opponent adds: "With regard to the problem I mentioned about the job given to so-and-so, will you do something about it, will something happen?"

Then, Mr. Speaker, because of the paragraph about the third daughter's or fourth son's coming baby—I am not sure—will the Postmaster General consider that letter as official correspondence? We should know what to think. A man may very well write to a minister, calling him by his first name, saying "tu" instead of "vous", that is write a letter of a personal nature, although part of its contents might deal with the department concerned. In that case does the minister consider that, because the letter comes from a friend, it can be of an official character?

That is exactly what I would like to hear explained by the Minister of Public Works (Mr. Deschatelets), the Postmaster General and the Minister of Justice (Mr. Chevrier), all three having used the word "official".

Does this sort of correspondence exist in the post office and the public works departments.

Mr. Speaker, I want to say that I have not been aware of any correspondence in my riding, which might have given rise to some patronage.

In regard to the Post Office Department, I requested the production of papers. I have copies of letters with me but I am waiting for the tabling of these papers to see whether all the correspondence will be tabled. I want to warn the Post Office Department that I have copies of the letters.

**Mr. Speaker:** It seems to me that the hon. member for Lapointe is somewhat departing from the subject of the motion. I would ask him to come back to it.

**Mr. Moreau:** He is also moving away from his seat.

**Mr. Gregoire:** There is nothing in the standing orders that forbids a member from taking the most comfortable position to speak, and if we are at the far end of the house—I make this remark because of the interruption of the Liberal member for York-Scarborough (Mr. Moreau)—it is precisely because of the unfairness of the hon. members sitting on that side of the house.

**Mr. Choquette:** I rise on a point of order, Mr. Speaker. We are fed up with the vacuous speeches of the Caouettists. The hon. member for Lapointe should stick to the subject under study. We are discussing the advisability of tabling the correspondence exchanged between the Minister of Public Works and a Mr. Roland Comtois.

We are fed up with vacuous and frivolous speeches. This has to stop, and I ask the hon. member for Lapointe to deal with the matter in an appropriate and relevant way.

**Mr. Gregoire:** Mr. Speaker, I think that as far as insignificance is concerned—

**Mr. Choquette:** Mr. Speaker, I rise on a point of order. The hon. member is once more departing from the subject.

**Mr. Gregoire:** I am dealing with a point of order. There cannot be two points of order at the same time.

**Mr. Speaker:** I think it would be better if the hon. member for Lapointe would sit when the Speaker is standing. In my opinion, this type of intervention in our debates is perhaps useless. It would be better if the hon. member would revert to the subject matter of the present debate.

**Mr. Choquette:** Indeed.

**Mr. Gregoire:** Mr. Speaker, I thank you for calling the remarks of the hon. member for Lotbiniere (Mr. Choquette) useless, and in that sense, useless is sensibly equivalent to insignificant.

Well, to continue—

**Mr. Choquette:** Mr. Speaker, I rise on a point of order. I say to the hon. member for Lapointe: you are not in a Creditiste suburb, but in the house, where respect and dignity are imperative.

Mr. Speaker, by the way he interprets your ruling, the hon. member for Lapointe departs from the dignity of this house. Let him deal with the matter in a pertinent way, that is all we want. He credits you with words you never uttered.

**Mr. Gregoire:** Mr. Speaker, on a point of order, I would point out to you that I have let the hon. member for Lotbiniere call my speech insignificant, but it was following interruptions which are not at all justified. I would ask the hon. member to take due note of that fact.

Mr. Speaker, I continue on a matter which is before us.

[*Text*]

**Mr. Greene:** On a point of order, Mr. Speaker, I would like to know whether the hon. member for Lotbiniere and the hon. member for Lapointe are fighting for the heavyweight championship of the house.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I resume my statement. In concluding, I wish to point out that some of the papers retained by the Minister of Public Works and which are supposedly official documents are related to transactions which took place between his own department and certain people who, in most cases, are former political candidates. We have the proof that things went very much the same way when the hon. members on this side of the house were sitting opposite.

**Mr. Pigeon:** Mr. Speaker, I rise on a question of privilege. We were never guilty of anything like that.

**Mr. Gregoire:** Mr. Speaker, I am not without proof. When my hon. friend's party was on the other side of the house, Dr. Henri Vaillancourt, who lived in my county and knew next to nothing about postal service had the advantage of being a post office consultant.

**Mr. Speaker:** Once more, I must remind the hon. member for Lapointe to stay within the limits of the subject.

**Mr. Gregoire:** I would be glad to do so, if I were not interrupted from every side; I would ask the Chair to see that I am not interrupted any more. I am sure that the Chair realizes that those interruptions carry us beyond the limits of the subject under discussion.

Had I not been interrupted a few minutes ago by my hon. friend from Joliette-L'Assomption-Montcalm, I would already have said that I am quite willing to help him in the matter of these papers, by asking the Minister of Public Works to submit to the house all official correspondence. I feel that it would help maintain the democratic spirit of our parliament.

If there is any patronage, I should not want to cast any reflection on the minister since only the officials of his department are responsible. I trust that whatever its feelings may be, the government will throw some light on the situation by tabling the requested correspondence.

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, when this order for return, which is No. 126, was called last October 30, I stated that the arguments put forward by the Minister of Justice (Mr. Chevrier) concerning order No. 125 also applied to this order for return.

On page 4178 of *Hansard* for October 30 last, the Minister of Justice is reported as saying:

> Mr. Speaker, there is no objection to this motion being agreed to. There is no official correspondence.

A question was then directed to the hon. member for Joliette-L'Assomption-Montcalm who agreed to withdraw the motion because of the reasons given by the Minister of Justice, to wit that there was no official correspondence.

**Mr. Martineau:** Would the minister permit a question?

**Mr. Deschatelets:** I am quite willing to do that but I should like to remind the hon. member that when he was speaking about unemployment, the other night, I rose twice to ask him very politely whether he would allow me to ask a question and he turned me down. However, I will let him ask his question this time.

**Mr. Martineau:** Mr. Speaker, I must agree that the Minister of Public Works is always extremely polite, but I must say that if I did not allow him to ask his question, it is only because I did not have enough time to answer him. Otherwise, I would have been very happy to oblige.

This is my question. Does the Minister of Public Works feel that correspondence dealing with matters under his jurisdiction or with matters of public interest may not be official correspondence?

**Mr. Deschatelets:** Mr. Speaker, if the hon. member for Pontiac-Temiscamingue (Mr. Martineau) so wishes, I shall answer him and at the same time I shall reply to the hon. member for Lapointe, who asked for the definition of official correspondence. I think that here we are getting at—

**Mr. Gregoire:** The nub.

**Mr. Deschatelets:** —the nub of the whole question. I am happy to see the leader of the official opposition is here. I feel sure he will agree with the stand I am taking on this matter because, in the last six years, his own position has been the one I am taking tonight as regards motions for the production of papers.

Mr. Speaker, when I receive—

[*Text*]

**Mr. Diefenbaker:** Has the hon. member any evidence of that, or is it just his own statement?

**Mr. Deschatelets:** It is what we call, in French, "commune venommée". Everyone knows it and there is no need to prove what everyone knows.

[*Translation*]

Mr. Speaker, when I receive a document marked "personal and confidential", I file it in my personal records. According to parliamentary authorities, tradition and practice, this is a document that I should not be called upon to table.

I shall give an example that the hon. member for Joliette-L'Assomption-Montcalm will understand, I am sure. If one of my colleagues introduced a motion for the production of papers, letters and correspondence exchanged between the hon. member for Joliette-L'Assomption-Montcalm and the previous minister for public works, I am convinced that the hon. member would be reluctant to have those personal and confidential letters produced.

So, there is a matter of principle that goes far beyond the few documents that the hon. member would like us to produce.

**Mr. Pigeon:** Mr. Speaker, I should like to direct merely one question to the Minister of Public Works.

**Mr. Deschatelets:** Certainly.

**Mr. Pigeon:** When some correspondence between the minister or the Department of Public Works, for instance, and Mr. Comtois entails expenditures on the government's part and when these expenses are paid, after all, by the people of Canada, have I not the right, as a representative of the Canadian people, of a portion of the Canadian people, to know about the documents that have led to those government expenditures?

**Mr. Deschatelets:** Mr. Speaker, by notice of motion No. 126, the hon. member is asking two things. First, he is asking whether there has been correspondence between a certain Roland Comtois and the Minister of Public Works. In the second place, he is asking whether some correspondence has been exchanged between that Mr. Comtois and the Department of Public Works.

I answer that there has been no correspondence between that Mr. Comtois and the Department of Public Works. Moreover, if there had been correspondence marked "personal and confidential" exchanged between Mr. Comtois and the Minister of Public Works, which correspondence would have been filed in the personal records of the Minister of Public Works, I maintain that I should not be compelled to table it.

**Mr. Gregoire:** Would the minister permit a question?

**Mr. Deschatelets:** Certainly.

**Mr. Gregoire:** At that rate, any correspondence addressed to a minister by a former candidate or by a man who would like to extend his patronage to a riding could be stamped "personal and confidential" and would become untouchable since we could not ask to have it produced. And the sender could thus try to secure all kinds of information and, even though it would entail public expenditures, as was mentioned by the hon. member for Joliette-L'Assomption-Montcalm, and even though it would give rise to the awarding of contracts without tenders or other things of the kind by the mere fact of being stamped "personal and confidential", such documents would not be official?

**Mr. Deschatelets:** Mr. Speaker, if I understand the case in point now submitted by the member for Lapointe, it deals with letters bearing the words "personal and confidential" and addressed to the minister, which would be placed in the personal file of the minister in his office or in his department; I must say that according to parliamentary experts and in compliance with the tradition followed down through the years, we should not be obliged, I do not say "not to table", but we should not be obliged to table that correspondence.



**Mr. Gregoire:** It is an unsound principle.

**Mr. Deschatelets:** Mr. Speaker, the principle was laid down and all the experts made observations on it.

I have here May's book and at page 273 of the sixteenth edition, he comments as follows:

[*Text*]

The papers and correspondence sought from government departments should be of a public and official character and not private or confidential.

[*Translation*]

That author clearly said that documents between an individual and the department, or the officials of a department, can very well be tabled, but that it is different for a private and confidential document.

Mr. Speaker, I think my hon. friend from Joliette-L'Assomption-Montcalm who was a member of a government which, during six years, consistently agreed to that recognized principle does not expect that I can be obliged to table personal and confidential documents which might be in my personal file. He has enough experience not to expect that.

**Mr. Gregoire:** What could be done in such circumstances?

**Mr. Deschatelets:** Mr. Speaker, to reply to the observation by the hon. member for Lapointe, I must say that we are dealing here with a matter of principle.

The hon. member for Lapointe has enough imagination to go far beyond the matter with which we are dealing at the moment; but I feel quite sure that there must be in a minister's files some private file, with correspondence of a personal and confidential nature, that the minister should not be compelled to produce.

If the hon. members would think matters over, they might see things in that light.

**Mr. Gregoire:** Could I direct another question to the minister?

**Mr. Deschatelets:** Certainly.

**Mr. Gregoire:** You have not answered the question asked a moment ago by the hon. member for Joliette-L'Assomption-Montcalm. For the sake of argument, my hon. friend spoke of a private person who might write a personal and confidential letter containing a request entailing government expenditure. The letter is clearly indicated as being personal and confidential and it entails public expenses; if the letter of request is marked as personal and confidential by the sender, is the submission of that document to the house left to the discretion of the minister?

**Mr. Deschatelets:** My contention, Mr. Speaker, is that no minister should be compelled to produce a private and confidential paper which is in his own file, and not in the files of his department.

Now, I said a while ago that on October 30, 1963, the hon. member for Joliette-L'Assomption-Montcalm admitted that my statement rested on solid grounds; the Minister of Justice had also expressed such a view. The hon. member agreed to withdraw his motion.

**Mr. Pigeon:** Mr. Speaker, I would like to ask a question on a particular point, just one word—

**Mr. Deschatelets:** Mr. Speaker, I do not refuse to produce any correspondence between the man Comtois and some government official in the Department of Public Works. I have no correspondence, it does not exist. But I say that if there were a document, whatever it might be, with the mention "personal and confidential" in my personal file, the general and parliamentary jurisprudence as well as the customary practice—

**Mr. Gregoire:** It cannot be personal, it is a public matter.

**Mr. Deschatelets:** —should not compel me to produce such document.

Thinking the matter over, I believe that after considering the possible effect of such a motion, the hon. member would probably want to withdraw it.

**Mr. Gregoire:** Mr. Speaker, may I ask another question?

**Mr. Deschatelets:** Certainly.

**Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere):** Mr. Speaker, we are discussing a basic principle of law which by far exceeds the comments of the Minister of Public Works. I always keep the remarks of the Minister of Justice in mind, because the Minister of Public Works bases his argument on them. And it is incorrect to maintain that the hon. member for Joliette-L'Assomption-Montcalm recognized the remarks of the Minister of Justice as justified, because the hon. member for Joliette-L'Assomption-Montcalm realized with some delay, it is true that he should not accept the suggestion or the declaration of principle of the Minister of Justice. As a matter of fact, we see in today's order paper that motion No. 151 has been brought back for discussion at a later date.

The minister raises—

**Mr. Speaker:** Order. I am sorry, but I have to interrupt the hon. member.

[*Text*]

## THE ROYAL ASSENT

A message was delivered by Major Alfred Fortier, Assistant 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 bill:

An act respecting an Order of His Excellency the Governor in Council entitled the Surcharge on Imports Order, and to restore certain rates of customs duties and tariff benefits expressed to be withdrawn thereby.

**Mr. Speaker:** Since the business for tonight is the consideration of estimates I wonder whether the house will agree to go into committee of supply before we see the clock.

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

*1.* Departmental administration including federal share of the expenses of the secretariat for the resource ministers council, $1,018,600.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

**Mr. Laing:** Mr. Chairman, in making this, my first attempt, at explaining the estimates of the department and defending my management, I do so with some diffidence for a variety of causes. In the first place, I have been the minister of the department for only six months, and the estimates we are discussing tonight are estimates with which I had nothing to do. Indeed, most of them have already been spent. I think most hon. members will agree that the Department of Northern Affairs and National Resources probably has a wider range of responsibilities than any other government department. I have limitations as to those things I can usefully say at this stage. However, I shall be happy later to discuss specific programs and areas of work when the relevant votes come before the house.

I think hon. members are aware of the tremendous diffusion of the department. There is the administration of northern Canada, with all that that entails in the development of both human and material resources; research into water resources and advice on the management of water supply; the great national parks of Canada; and then, the cradle of our history which we call national historic sites and monuments; the management of wildlife in Canada, the national museum and a number of other related resource topics that all come within this department.

Last summer during the recess, Mr. Chairman, it was my good fortune to make an extensive tour of northern Canada. I must take note at this time that the hon. member for Northwest Territories did not like my proceeding to northern Canada. I can only assure him that I am going to do it again and again in the future. Like most hon. members, I had not previously had the opportunity of seeing northern Canada. I rather doubt if any great number of members in this house have been in what we call northern Canada, including the Arctic. Some of them have. I think they will agree with me that when you first see that country you change your predetermined concepts concerning it.

I do not propose to repeat a lot of platitudes about the north—and there have been platitudes. The north has subsisted, in part, upon reputation. There has been the romance of the north. I have nothing against romanticism. As a matter of fact I think the red shadow, for a period of a generation, kept alive a great stretch of sandy desert in north Africa. The stories that are coming out of our north country are giving a tremendous reputation to this part of the country, to the gratification of those who want to see it as a tourist paradise. I do not object in any way to the considerable writings about northern Canada at the present time. But it is a very difficult thing to understand any part of the country through second hand information.

The immediate problem which has been recognized by successive governments, and this is not a partisan matter, is how to make a reality of the human and material potential that is existing there. I think my predecessor in this post would agree with me that the fundamental problem of the north is economic. This is not entirely a problem for governments, though certainly they have a role to play in co-operation with soundly based private enterprise. What can be done to help broaden the economic base of the region so it can provide a satisfactory standard of living for its growing population and contribute to the economy as a whole? This is the question with which we are confronted in dealing with northern Canada. Let there be no mistake that the economic base must be broadened, or any doubt that the population is growing very quickly.

Historically, we would say that the important residents of the north, the Eskimo population, were able to depend on hunting and fishing to maintain their traditional way of living. These traditions are gone and will not return. With southern medicine and medical care, the population in most areas has grown far beyond the capacity of the local resources of game and fish to support it. The people in the south are no longer prepared to see disease and starvation hold the northern population to the limits set by the local food supply. The Eskimo people themselves have become aware of our southern comforts and conveniences and are no longer prepared to live in the way their forefathers did.

I found it very significant on my northern trip that virtually all the Eskimos with whom I spoke accorded first priority to the education of their children. At this point I should like to say that I sincerely hope, indeed I know, that every member of this house is prepared to take the stand that there are no longer any generically inferior people anywhere. This applies with a special emphasis to our northern people. I found the Eskimo people, pushed off on ice and rock, extremely able people. Those who have been given some education in our schools are shortly going to present themselves to Canadians, probably in other parts of Canada, as well informed, well integrated, well balanced people who want to take part in the future of this Canada, which is theirs as much as ours. This means education in the ways and techniques of the south, in schools based essentially on a southern pattern modified to meet northern needs.

As hon. members know, the schools are there. Most northern children, of whatever racial origin, can now go to school; and within about five years this opportunity will be open to all of them. Well qualified students will soon be graduating in substantial numbers and will be looking for work. However the jobs are not there now, and they will have to be provided. The economic base must expand.

With particular reference to the western Arctic, beginning at what I would describe as Hay River and going up the Mackenzie river, I find great promise at the present time. The projected railway to Hay River, with its branch line to Pine Point, is going to have the effect of moving freight up to about

latitude 62. At Hay River, where a devastating flood took place in May of this year, the town has recovered, and in the shipping period from about June 8 until October 25 freight going up the Mackenzie rose 50 per cent over last year.

There is abundant evidence that mining companies, and resource companies, are going into the area, staking out properties, finding new minerals, and developing new mines. I want to pay my compliment to those companies, some of them giant Canadian companies, that are putting their money into an area where risk capital is needed. The tremendous mine at Pine Point, where investment is under way totalling $30 million, with a townsite that will be capable in the next four or five years of supporting 2,000 people, is one of the bright spots in Canada. Further north than that United Keno Hill, and other mines such as Giant Yellowknife, are doing exceptionally well, and by their actions are persuading an increasing amount of risk capital to go into the north country. On the western side of the Arctic, then particularly in the Mackenzie area, the outlook is extremely good.

In order to achieve these objectives, however, government must be as efficient as possible, and must reflect closely the needs of the area served. In my judgment, and I know my predecessor in the former administration agrees, this means that administration as far as possible be decentralized to the north.

The need to get government closer to the people most immediately concerned has been recognized in the bills respecting Mackenzie and Nunassiaq territories which are now awaiting second reading in this house. It is not my purpose at the moment, nor would it be in order, to discuss these bills. I would, however, like to underline the very great importance of giving them prompt and sympathetic consideration.

This urgency arises partly from the fact that the bills envisage the establishment of the new territories on April 1, 1964. This provides very little time for the federal and territorial governments and the Northwest Territories council to make the final arrangements which must await passage of the bills. A more immediate source of urgency arises from the fact that the life of the present Northwest Territories council will expire this month, on November 21 to be exact.

If the Mackenzie bill is not passed, the territories will be left without a legislature, and in that part of the world it is desirable for obvious reasons to avoid a winter election if possible. If these bills had not been before the house, an election would have been called probably for September last. As things have worked out, the territories will be without a legislature until an election can be held, or until the Mackenzie bill goes through.

This may not seem a serious matter, since the territorial council normally meets for only three or four weeks a year. However, the next meeting is scheduled for January when the annual territorial estimates will come up for consideration. The territorial council has the same authority over estimates as this house, although there is a difference in practice. Unlike our parliament, the territorial council normally considers its government's estimates before the beginning of the fiscal year to which they refer. In short, if there is no council meeting in January there will be no money available in the normal course for territorial expenditures in April.

Hon. members will be aware of the quick action of the council in passing legislation needed following the flooding of last spring. Let me say the time has now arrived when it is in the interests of the people there that they have more government on the ground and less government from Ottawa. I think the people who are there and are developing that country, are exercising and enjoying a greater confidence in their own ability to stay there and to prosper, and it behoves this parliament to extend to them as rapidly as we can further major conduct in control of their affairs at site.

As indicated earlier, Mr. Speaker, northern administration is not a partisan matter. The federal government first took an active interest in northern development during a Liberal regime. The succeeding Conservative government, to their credit, carried on and expanded these programs, and added to them to meet changing conditions. The present government does not foresee a radical departure from the broad lines established earlier, although of course conditions are not static and policies must be flexible to support them.

My predecessors used the word "vision" to describe their attitude to northern development. They have a certain moral copyright on that word, if not on the ideas that it represents. I would describe our approach to northern policy as one of imaginative realism, and I want to be realistic in respect of the north, as I am sure the people who live there also want to be.

At the present time it is an enormous deficit area. We are putting somewhere between $40 million and $50 million a year, in moneys collected from taxpayers in southern Canada, into the north country, and those people who live in the north country should not be ashamed of those circumstances, because this is the history of pioneer areas in all parts of Canada. As Canada moved west

the same situation existed then, but we want as early as we possibly can, as do the people who live there, to see that they be self-supporting, and it would seem to me to be the responsibility of the government here to adopt things and do acts in respect of assisting private enterprise to go in there, build up that country, employ people, and ultimately stand on their own feet. That is going to be our policy.

Whatever word is used, I think we would all agree that the north is an important part of the country that has been neglected for most of our history and that now deserves the best efforts and sympathetic attention of the government of Canada. To maintain, and retain our national sovereignty, because of defence and because of the resource development, it is imperative that we give continuing and even expanding attention to that country, and I was particularly relieved to note the vast new interest that is obvious in most of the Arctic, and particularly in the western Arctic, by people with private investment capital.

Now I want to deal with one or two other matters. I am quite certain my predecessor will agree with me that we have in our 19 national parks a very fine representation of the original Canada in its wilderness state, that we have preserved our national parks well, that we want to continue them for the enjoyment of the people of Canada, but at the same time we realize they have come to have a commercial aspect to the extent that they are one of the great magnets drawing an increasing number of people from other parts of the world, to visit Canada and spend their money here.

Due to the improvement of a considerable network of roads in Canada, and particularly with the imminent finalization of the trans-Canada highway, we seem to have repatriated a great amount of Canadian traffic that formerly used highways in the United States. I am aware that assisting in the repatriation has been the 92 cents condition of the Canadian dollar, but it must be admitted that our great national parks system is one of those tremendous magnets which are drawing a greater number of visitors to Canada annually, and that situation in turn is one of the bright spots in our balance of payments situation. I believe in recent years we have turned a deficit of $250 million annually into a favourable balance of some $50 million.

Historically our parks were set aside to be wilderness areas. This was the original concept, it is still the concept, and the traditionalist today who wants to go into a national park would prefer to find very few people there beside himself. He wants the great outdoors, but the traditionalist is being confronted by hard facts at this time. A generation ago most of those who visited our national parks, particularly those in the western parks system were relatively wealthy Canadians or very wealthy Americans who came by rail bringing their families with them, and who stayed in the great hotels—hotels which provided all the services needed. During the time of their holiday in Canada they spent a considerable amount of money.

All this has changed, and the automobile has changed it. The crowds today are on rubber tires and they are really crowds. Because of statutory holidays with pay, because of a good and always improving roads system, because of the fact that cars are owned by almost everyone, most Canadian families are today throwing the kids in the back of the car and saying: "Let us see Canada; let us go to the national parks". For one reason or another, in the case of our western parks, when they get on the highway they say: "We shall drive right through to Banff", or "We shall drive right through to Jasper". I am certain my predecessor is aware of the situation. We face a crisis in our national parks. It is a crisis of plenty, not one of paucity; thank goodness for that. But here is a situation where the traditionalist is in conflict with the situation as it exists. We are faced with the necessity of providing a new type of service in our parks for these people who come in on rubber tires.

I think it is a splendid thing that the ordinary Canadian can take his family to the national parks. But, as I have indicated, we must provide as far as we can the type of service he demands. These visitors want tenting facilities; they want a place to park the trailer and they want the kind of service which makes allowance for the fact that a considerable proportion of the money allocated for the holiday is already allocated to the gas tank. We have this situation to meet. We must meet it, and at the same time retain as far as we possibly can the traditional outlook toward our national parks. That is not going to be easy. As I have said, we have undertaken to divide the administration of the parks system. We are setting up at once a station for western Canada located at Calgary, a station for central Canada at Cornwall and a station at Sydney, Nova Scotia, for eastern Canada. So hon. members will see we are decentralizing the administration. When an organization does a substantial part of its business in two months of the year it has to make decisions quickly; it is not always practicable to wire to Ottawa and wait for a reply. We are putting responsibility for purchasing and for making decisions upon

those divisional officials who will be responsible in those areas. We found last summer, particularly in the case of the western parks where a tremendous increase in visitors was experienced, that it was very difficult to take decisions in time to relieve the congested situation—a situation which was really something to behold. In Banff last year we had over a million visitors and in our parks across Canada we experienced a 24 per cent increase compared with the previous year. This was not foreseen by the department or by myself, and I am certain my predecessor would agree that an increase of such magnitude presents a startling situation. This demand for tenting facilities and parking space for trailers should not be regarded as short term in its nature. I think we must realize it is here to stay and we must make preparations to meet it.

Before I close I should like to say something about one or two of the other aspects of the work of this department. We Canadians often console our frustration over the problems of the day by reflecting that our land is a rich land, that its waters and rocks, its woods and its soils are an estate that provides a solid basis for our sovereign existence. We are not wrong in laying claim to bountiful natural resources, but we have heavier blinkers than those of the legendary Seraphim if we believe that simply having is enjoying. Our resources exist, but they are often hidden by more than physical barriers. Ignorance as to location and development techniques, well meaning parochialism as to the use of benefits, are two of the major problem areas, common of course to all states but of particular concern to resource management in a country where the interests of many governments are involved.

As in the days of the "voyageurs", although now for different reasons, waterways speak with a loud voice to dictate where the country may grow. Water is basic to human civilization; its purity and availability are taken for granted. We have come to feel this way precisely because of the scientific research which in past years has very unobtrusively supported the tapping of fairly extensive supplies. The drain grows day by day, uses multiply, the countryside is remodelled and so century old water patterns are disrupted. In the fact of this dilemma, antiquated water knowledge cannot be tolerated and for this reason I am proud of the team of water resource professional and technical people which has been built up in my department.

Their professional work falls under three headings: (1) hydrometric measurements; (2) sediment surveys and (3) studies of special current interest to the federal government. The hydrometric work relies on 1,750 stations through the country, 100 of which were established during the current year. The sediment work is relatively new—it is in its third year—but its value has proven itself. Indeed the life of costly reservoir works and navigation facilities cannot be divorced from the evolutionary processes that are constantly affecting any stream. Our sediment studies are bearing down on this area of ignorance. But pride in what is being done must not delude us into believing that all the answers to the problems of water usages in a complex society will be available without a constant vigilance to keep our research on top of the facts. It seems inevitable that our activity and our expenditure in this area will increase.

As I have mentioned, the department also conducts special studies in connection with current water development interest. In this connection I should like to make a passing reference to the Columbia river. I should like to say, parenthetically, that our involvement in the Columbia development project was, and is, under this heading of special studies. Extensive studies have, indeed, been undertaken by the department on this topic but since the current negotiations relative to the treaty are the concern of my colleague, the Secretary of State for External Affairs, I would suggest that discussion of this matter may be more appropriate during the consideration of his estimates. These special studies inevitably lead to the question of the respective roles to be played by the federal and provincial governments not only in the realm of water but in the wider relationship of natural resources.

At this stage, let me say I think our government has done all in its power to make the writing of a treaty in respect of Columbia water with the United States a practical thing as well as a valuable thing to Canada. While it is true that questions on the treaty itself must be directed to my colleague the Secretary of State for External Affairs, I do take pride in the fact that the technical men from my department have constantly supplied our negotiators with all the relevant facts necessary to the determination of a treaty which will be of benefit to Canada if and when it can be reached.

Current literature abounds in stressing the need for a multiple-use approach to any hydro development. This approach is the threshold to the concept of thinking in terms of regional economic units, and by the same token opens the way to a field of inter-government co-operative possibilities, as well as pitfalls. To co-operate with purpose on major resource projects, not only entails investing a gigantic share of the national wealth we of this age legitimately feel is a heritage to be handed to our children, but also requires sound technical knowledge. There must be no hesitancy in

providing the professional machinery to keep all those who have an interest in Canada's resources technically well informed. But this is not all that is required. Co-operation is paramount.

True co-operation depends on a spirit of trust and optimism. I can think of no better area where this can be fostered than the area of resource management. And for this reason I am particularly happy about the growth of a child, born a few years ago though conceived much earlier, and rapidly becoming a firm institution of modern federalism. Indeed the resource ministers council is now a living fact and there is no doubt in my mind that the meeting of minds that it will give rise to, will be a solution source for Canadian resource problems. It will also make the often bandied about word, "dialogue", a working concept. I am confident that under its dynamic chairman, the Hon. Rene Levesque, the council will do much more than its terms of reference may indicate.

At this stage I should like to repeat what I said yesterday to a group of people interested in our natural resources. I said the position taken by the federal government had to be an extremely cautious one. I have tremendous hope and great confidence that when the provinces, through the resource ministers council, discuss resources beyond the confines of the individual provinces concerned, remembering always that though it is the responsibility of the province to develop the resources within its own borders it is possible to develop those resources in such a manner as to do harm to its neighbours, a stage will have been reached which could result in economic achievements of great value to all Canada. As far as the federal government is concerned we shall attempt to act as catalysts, but I think the government of Canada should stand ready at all times to assist the provinces as they discuss their resource possibilities among themselves, in any way possible, financial and otherwise.

I wish to say in closing that had I been consulted by the Prime Minister with respect to any department that I might have wished for, after six months of experience of the work of this extremely varied department, I would have chosen the Department of Northern Affairs and National Resources. There is a tremendous challenge in it because we are dealing with resources, not only of material but resources of people as well. I can only say I shall endeavour to make a study of all branches of the department to do the best I can to use the fund voted to this department by this parliament, and to bring along and extend the borders of Canada; because we are dealing principally in this department with the only great remaining frontier of Canada. It is extremely promising at the present time. It still has its problems, but the outlook is extremely bright. When I found the great mine at latitude 62, when I went on my trip to latitude 75, which I think is about 890 or 900 miles from the North Pole, to find them drilling for oil in an area where the geologists say the geology is such that oil must be there, and that when they find it it is going to be another Arabia—these are the terms being used—then I think there is tremendous hope for the north country. There are very few people in it at the present time, and in my view it is not a country which will support a great number of people. But it will support more than are there are the present time, and I am quite certain that the extended pursuit and search for resources is going to end in success. I am quite certain that these social capital advances we are making to the north country will in time be repaid, and if the pursuit goes on at the present rate I think they will be returned relatively early.

**Mr. Dinsdale:** Mr. Chairman, on occasions of this kind it is customary to exchange the usual courtesies, especially when a new minister is introducing his estimates for the first time. I am aware that we have had an opportunity earlier to exchange these compliments, but I do want to repeat tonight that I appreciate the remarks of the Minister of Northern Affairs and National Resources. He has stressed that what we are discussing tonight are estimates in which I had some part when I carried the responsibility for this department. I think the sincerest form of flattery—this is a well known phrase—is imitation. Because of the fact that the minister has expressed so much unanimity as to the policies and programs of the former administration, it seems to me that there will be no purpose served tonight in extending this discussion to an undue length.

I was also pleased to hear the minister refer to the fact that we have important legislation pending concerning a major forward step in northern development; that is the legislation to deal with the granting of greater political autonomy to the Northwest Territories. As he indicated, this is not the occasion to discuss these matters, but I would seize the opportunity provided by his observations to suggest that, even though there is some pressure of time by reason of the fact that there has been delay, in proceeding with this legislation we should not try to foreshorten the discussion that I am sure will arise once this legislation is introduced.

I would hope that as soon as possible we could have set up in this house a committee to which the legislation could be referred. As the minister has already indicated in his observations, so very few members in this

house have any personal knowledge of the north, and only those who have actually travelled north of 60 have an appreciation of the problems and the tremendous potential of this great, undeveloped and unexploited, area of Canada. I should think that the setting up of a suitable committee would make it possible for hon. members of this house who have the good fortune to serve on the committee to travel into the north. In this day of air transportation travel is no problem. We have the facilities, and within a few hours we can reach the farthermost points of northern Canada. I think it would make an outstanding contribution to an understanding of the problems and the potentials of the north were such a committee established. In addition to discussing the problems in detail, the committee could have the opportunity to meet with officials who are familiar with the problems; and hear some of the northerners themselves. This would be a big step forward in the understanding of this last frontier of Canadian geography.

My final remark on this point, Mr. Chairman, is to say that the reference of legislation before second reading to a committee is not without precedent. In this regard I mention one reference recorded in *Hansard* for May 14, 1946, where the house leader of that day, the Hon. Ian Mackenzie, referred the bill on reinstatement in civil employment to a standing committee before it reached the second reading stage. I think this step would obviate a lot of discussion which is bound to take place when this proposed legislation comes before the house, as well as provide an excellent educational experience for hon. members.

The minister has intimated that the north is still very much an unknown country. It has become much better known within recent years. When we have outstanding historians and political scientists of the day using the expression that Canada is a northern country with a northern heritage and destiny, I think that is indicative of just how far in recent years we have reached a new appreciation of this important part of Canada. This should not be new, of course, because the whole history of Canada has been that of a gradual movement into the northwest frontier. I am surprised as I travel around Canada to see how many communities there are, regardless of their location, who refer to themselves as a sort of gateway to the north. For example, Halifax regards itself as the guardian of the north, as does Fort William and Port Arthur. These cities refer to themselves as the gateway to the northwest, and they sit right on the United States boundary. But in the area north of 60 we have all the problems of geography, of climate, of distance, which have been peculiar to development in Canada right from the earliest moment of our history when Cartier, I believe it was, referred to the lush area along the St. Lawrence river as the land God must have given to Cain, as the country God had forgotten. We are a very rugged northern half of the North American continent.

When the minister referred to the deficit situation of the northern economy I was reminded of some of the statements made about another part of the Northwest Territories back in the 1880's when that part of Canada was regarded as an economic deficit area. In fact, people in responsible positions referred to the prairies as having no economic significance whatsoever. When the government of that day was building a railway through the prairies the critics said that this was a railway which would go from wigwam to wigwam and would not pay for its own oil. That was not long ago in Canadian history, a little over half a century. Now, with wheat pouring from the granaries of the prairies, from this part of the country which was a deficit economy and was not supposed to have much economic future, and with all the political pundits and fiscal experts saying that the wheat sales of the past few months and of the last couple of years are going to have a tremendous impact on the total economy of Canada, I am even a little more optimistic than is the minister. I would say that the same development could take place north of 60, once we have one of the great mineral resources brought into production. For example, the minister referred to oil. The Quirin report of three years ago exhaustively and carefully studied the oil potential. There had been a lot of romantic ideas and hazy notions about the oil bonanza that existed in the north, particularly in the Arctic islands. All these were confirmed by an outstanding oil geologist, Dr. Quirin in the Quirin report. He came up with phrases almost as ecstatic as the romanticists. When the first gusher comes in in the Northwest Territories I am sure it will have an impact on the economy much the same as in the case of the rapid growth and development of the wheat economy of the prairies in the early part of the present century.

It would appear that the new administration has accepted uncritically the policies that were enunciated and carried out over recent years by the former Conservative administration. This is a matter of satisfaction to me personally as well as to all members of the former administration. The department was organized in 1953. At that time prime minister St. Laurent used the phrase that over the

years Canadians had administered the northern regions in a state of absentmindedness. That situation prevailed right up to the recent historical past.

**Mr. Herridge:** And until today.

**Mr. Dinsdale:** What was that comment?

**Mr. Herridge:** I said until today. They are still absentminded about the natives.

**Mr. Dinsdale:** In 1956-57 total expenditures for this department were more than $39 million and this year total expenditures will be approximately $83 million. If the size of the estimates is any criterion it indicates that some rather aggressive policies have been under way during recent years with respect to all the diverse responsibilities of this most interesting department. I am not going to enumerate, because these details are in the estimates. The program was one of national development in the best traditions of the Conservative party's national development philosophy.

**An hon. Member:** You have ruined the whole speech.

**Mr. Dinsdale:** I do not intend to go back in history and point out that the Conservative party has always been identified with the development of new frontiers. This is a matter of record and requires no debate. However, I wish the minister would speak to his colleague, the Secretary of State and house leader, because I feel he has not quite caught the vision yet. I know the problems. It is not only the backbenchers in the House of Commons who fail to understand the great potentialities of this huge area in our northland. It is also the members on the treasury benches.

**Mr. McIlraith:** Be careful.

**Mr. Dinsdale:** From time to time the Secretary of State has indicated that he is one who has not quite caught the vision or, in terms of the new phrase, imaginative realism, he is not even imaginatively realistic about the north. When speaking in the maritimes just a few months ago he referred to the maritimes as the last frontier and rather downgraded what has been taking place in northern Canada.

To refer to this matter in passing, this is a program that was carried out by my colleague, the hon. member for Qu'Appelle, in the first instance and more recently it became my responsibility. I could talk about roads, airfields, mineral discoveries and the railroad to Great Slave lake. This latter project was not entirely welcomed with open arms by hon. gentlemen opposite when it was introduced in the house some three years ago. I am not going to dwell on this fact because the minister embraces it just as enthusiastically as I and the others associated with me did, when we had the responsibility of government.

I see that my colleague from Peace River is in the house tonight. I hope he will take the opportunity afforded by the consideration of these estimates to make some remarks. If any member of the house more than any other can take credit for the launching of this realistically imaginative program it is my colleague from Peace River.

**Mr. McIlraith:** What about the late Mr. Hardie?

**Mr. Dinsdale:** The resource side of the north is most important, and I am optimistic in this regard. One comment I should like to make is that the members of the Department of Northern Affairs and National Resources who have been closely identified with this program over the past few years are all excellent and dedicated men. They seem to be caught up in the enthusiasm for this task of pioneering on this new frontier. I know that most of the men and women working in the department are enthusiastic and optimistic about the prospects of the north. This was the impression I always received in working closely with them.

Some reference has been made to the human resource aspect by way of an interjection by the hon. member for Kootenay West. I want to dwell on the human resource aspect of the north. While the population is not large I think one of the saddest periods of neglect in Canadian history is to be found in the long period of time it took for the government of Canada to assume responsibility and take an interest in the welfare of its northern citizens. When we remember that the residents of the eastern Arctic, for example, only received the franchise two years ago I do not think we have much to boast about with regard to our record in dealing with these Canadians—they are and always have been Canadians—north of 60, particularly in the high Arctic, in providing them with the normal amenities and services that are provided for Canadians elsewhere.

Two years ago they received the vote. They have now exercised their franchise in two federal elections. One of the reasons for the delay in granting the Eskimos the vote was the repeated argument, that they did not have the intelligence or the capacity to understand the issues that would be involved in a national election. In fact, I have even heard the phrase used—I will attribute it to no one—which is sometimes used by segregationists in the southern part of the United States, that the Eskimos would be voted rather than voting. They were given the vote

and I would say they have exercised this right with an intelligence and responsibility equal to that of Canadians in any part of Canada and perhaps with a greater degree of intelligence. I see that the hon. member for Northwest Territories agrees with me.

But there is a strange anomaly here involving a matter of great importance. The Eskimos in the eastern Arctic have the vote federally and they do not have it territorially. No wonder there is a demand for a greater degree of self-government and autonomy in the Northwest Territories. This is why it is so important that adequate time and provision be made in the house for a thorough discussion of the pending legislation. We do not want to be pressured, which seems to be the tactic that the house leader is adopting. He is going to hold up the legislation until the last moment, and then say: You must pass it because if you do not there will be no territorial government for the Northwest Territories.

I would remind hon. members opposite that the last important piece of legislation which gave greater autonomy was debated for a period of almost four years. I refer to the autonomy bill that was finally passed in 1905 and gave provincial status to the provinces of Alberta and Saskatchewan. We do not want to be pressured on this matter, because there is a great vacuum of knowledge and hon. members must have complete freedom to discuss these important matters.

So far as human resources are concerned, the educational program has moved forward apace. I am sure the hon. member for Kootenay West agrees. There are now educational facilities for about 75 per cent of the young people of the north. There has been a tremendous increase in the past six or seven years. Then there is the welfare program. I hope that we might get some details of the housing program from the minister later on in this discussion. The Eskimo people are not primitive people. They have a complex culture. They are an intelligent people. This has been demonstrated by some of the northerners who have come to work in the department. I had an Eskimo secretary for several months, and she was one of the finest young ladies that you would wish to meet, capable in all respects. I could make reference to other northerners who have even outdistanced southern Canadians in competing in our complex society.

Those are the few remarks I wanted to make on northern affairs. The minister referred to the new concept that has emerged in recent years on national resources. I want to pay tribute to the Leader of the Opposition, the hon. member for Prince Albert, because it was his initiative, and no amount of carping criticism can ever gainsay this fact, that gave rise to the resources for tomorrow conference in 1961. It was out of that conference that this new concept emerged of wise management and multiple use of our renewable resources, as well as the new formula for resolving the problems of provincial-federal jurisdiction in this area. I know the hon. member for Kootenay West will confirm the fact that the log-rolling technique used to be used in dealing with the questions he asked in connection with conservation. The answer he invariably got was that this came under provincial jurisdiction and depended upon provincial initiative. This was no answer to the problem. The old buck-passing technique delayed action in the resources field far too long.

In 1961, after a period of very careful consultation, the federal resources minister and the ten provincial ministers meeting on a co-equal basis were able to come forth with this highly significant development, the resource ministers council with a supporting secretariat independent of the federal authority, independent of the provincial authority, and yet acting as the co-ordinating body between these two areas of administration. I recall one moment of inspiration that resolved a serious impasse. I recall that the resource ministers council was no longer willing to accept the chairmanship of the federal minister, which happened to be myself at the time. They said that the federal minister actually had no business on this council at all because the federal government had no resources. They condescended to allow him to remain on the council because of his responsibility in northern affairs where resources did come under his jurisdiction.

I know that suggestion was put forward with tongue in cheek, but the way we resolved the impasse was to conceive a rotating chairmanship. The first minister to assume this responsibility after the federal minister was the Hon. Mr. Spooner of Ontario, and now the Hon. Rene Levesque of Quebec is chairman. Then, it will be the turn of Prince Edward Island, the Hon. Mr. Rossiter, and so on through the whole resource ministers council. This is a major breakthrough in federal-provincial relations in the field of resources. It has been said in this house before that this formula might well be applied in other areas. As a matter of fact, it was applied in other areas by the former administration which practised, not only in word but also in deed, the vital policy of co-operative federalism.

Other examples were the roads to resources program; the Atlantic provinces power

development, and the joint studies that are now under way on the national power grid; the Nelson river study; the use of the Canada Water Conservation Act on a co-operative basis by the three levels of government for the first time; the metro Toronto basin water development program, a multi-million dollar program which has the full support of the federal government; the upper Thames program; the Winnipeg floodway; all of these things came about because of the enthusiastic support of the idea of co-operative federalism by the former administration.

Then, of course, I should like to refer to ARDA, which is a development and a breakthrough of perhaps even more significance than the resource ministers council. If used intelligently and supported enthusiastically by all levels of government in this country, it will transform the face of our agricultural community over the next few years. There is just one point I should like to make in regard to this matter and that is the importance of a recreational parks program. This is a matter for federal-provincial co-operation. We had a discussion on this subject a few months ago. The parliamentary assistant to the minister, speaking on behalf of the department, accepted the idea of the urgent necessity for action in this recreational parks area. I only hope that the minister will be able to move forward as quickly as possible. I trust that this subject will come under discussion at the parks conference which will take place, I understand, on the 18th of this month. Here is another example of co-operative federalism that was initiated last year which, I am sure, is going to go a long way towards resolving a very critical problem that has emerged in the recreational park development area.

I could speak for a long time about parks tonight. The minister has referred to the pressure that is being felt year after year on our national parks system. I should like to add this little thought, that we did anticipate this tremendous increase in park population. We were referring to it three or four years ago. However, I would say that the current upsurge is larger than anyone could have anticipated and it arises in substantial part from the impact of the devalued dollar. This poor devalued dollar, which was supposed to lead Canada into bankruptcy, according to the critics of the policy at the time, has been one of the main contributors to the current buoyant state of the economy.

In the parks area there had been neglect for many years. Some of the things that were done in recent years were, first of all, the setting up of a planning division. Recommendations came out of the planning division of the parks department, and the first one concerned a western supervisor because it was early realized we had to decentralize the responsibility in this area. Then, new policies began to emerge. We have had many discussions of the problems that arose in connection with preserving the wilderness. We came to the conclusion the only way this could be done was to have clearcut zoned areas with a service centre area, a fringe of semi-developed areas and then a section of the park which was retained in its pristine purity. There would be no equivocation about it at all. No amount of pressure would separate the parks from the original intent of the legislation. I trust that this zoning policy is moving apace under the leadership of the new minister.

The Oberlander report was another development. I hope the minister might later on indicate just what progress is being made in the implementation of the Oberlander report, and what progress is being made in a similar study that is proceeding in Jasper national park. Then, I wonder if there is any further information on the new national parks association which was organized in Toronto last March, under the leadership of Mr. William Baker, who had been closely identified with the resources for tomorrow conference. This national parks association, I feel, has a large role to play in the future park program.

Then, there were the representations of the Audubon society who wanted a park development program to go forward in connection with the centennial celebration. This is a program that had the sympathetic support of the former administration. I trust that it is also receiving the support of the new administration.

All of these ideas have emerged within recent years, and I was pleased to hear the minister indicate that he is carrying them forward to the best of his ability.

**The Chairman:** I hesitate to interrupt the hon. member, but his time has expired. Unless he has the unanimous consent of the committee, he cannot continue.

**Some hon. Members:** Agreed.

**Mr. Dinsdale:** With regard to wild life conservation measures, the international joint committee on migratory water fowl had been meeting regularly to deal with the problem of declining population in respect to our migratory water fowl, and I trust that this work is proceeding apace. There would seem to be some indication of activity in this regard, because in my own constituency I notice where lands have been leased for a period of 20 years in order to preserve the wet land area, or potholes, to ensure proper breeding facilities for the duck population.

Finally, in addition to inter-governmental co-operation, in addition to the planning I have outlined, I would like to suggest that there is urgent need for intra-governmental co-operation. There are several departments of government that have responsibility in the renewable resources—the departments of agriculture, forestry, and fisheries, as well as national resources. I would hope that in addition to encouraging co-operation among the governments, the various federal government departments would move together on a co-ordinated basis in order to carry out the spirit of this new concept of wise management of renewable resources, and the multiple use of renewable resources. I think this is one way in which Canada can guard her national heritage.

**Mr. Herridge:** Mr. Chairman, it is very interesting for me to take part in this debate, because this party has always been particularly interested in the conservation of human resources, and in the conservation and development of natural resources. I have no hesitation in saying that, from my experience in this house over a period of 18 years, with my pretty close knowledge of the internal workings of this department—and I have friends in each branch—and from my conversations with a lot of people closely connected with these subjects, the record of this department with respect to its treatment of human beings and natural resources is the worst of any department of government.

Having got that off my chest, I want to say I give the former minister, who has just taken his seat, full marks for what he did in his administration, particularly in his attempt to improve education for the natives in the north, to improve housing for them, and for his hard work in connection with the establishment of the resources for tomorrow conference and the principle of federal-provincial co-operation in that field. However, I do think that in certain respects he was too nice a person to deal effectively with some of the bureaucrats that exist in this department, some of these people whom you cannot mellow by ringing gospel bells. You have got to take a little tougher line.

**Mr. Dinsdale:** A soft answer turneth away wrath.

**Mr. Herridge:** My one criticism of the former minister is that he was a bit too nice.

Mr. Chairman, I notice the present minister is so interested in what I have to say that he has moved down opposite me and is listening attentively. I want to congratulate him on his appointment as minister of this department. Knowing his experience and achievements in the past, I presume he accepted this post because there are many problems to meet and it represents the major challenge of his life. I am sure that is what it will be, and I wish him every success in all he undertakes.

He faces a very heavy task and, as he mentioned, this department has wider responsibilities than any other department of government. I think that is generally recognized. In fact one must realize this department is an empire within which have grown several smaller empires. This is somewhat natural owing to its historical development, how it has evolved, and the fact that a great many people in the administration of it were living in Ottawa and not in the north.

I wish the minister every success in all he undertakes to decentralize this administration. I was very pleased with what he had to say this evening, that he is hoping decentralization will occur, and that government will be handed over to the local people directly concerned as soon as possible. This is a step which has been advocated by members of this group for many years. When it was first mentioned some years ago I had a chat with one of these centralizing administrators in this department, and he simply poohpoohed the idea that the people in the north were capable of governing themselves, and said that to think of including the Eskimos and natives in the proposition was out of all reason. I am glad this atmosphere has commenced to change, and I am pleased the minister is going to work in that direction.

There is another great need which the former minister mentioned. It is the need for more co-ordination and consultation within the department, and also between the department and other departments. You get this world famous water resources branch with its own computing machines adding up a mass of figures and getting one result, and you have the wildlife branch getting another result, with very little consultation as to the sociological effects of what they may undertake. You have one group looking at a matter purely from an economic point of view, and another group looking at it from the point of view of wildlife preservation for generations to come. There is need for a great deal more consultation within the department, and with other departments.

On a question like this members of this group take a strictly non-partisan approach. We try to be constructive, and I have some remarks to make with regard to administration generally, national parks and wildlife. Colleagues of mine will deal with other particular facets of this department later on in the debate.

As I said before, I firmly believe that for many years some of the administrators of various branches of this department have

lacked vision. Some of them, I know from personal experience, from conversations and correspondence, have had no understanding or appreciation of the need for evolution of democratic institutions under the conditions that have existed in the north in the last 50 years. They have had little concern for the improvement of the lives of human beings in those areas, and little concern for the development of resources.

I remember on one occasion when Mr. Winters was the minister for this department, that the deputy minister, without consulting the minister, gave a permit to the American Aluminum Corporation to deal with the investigations concerning water resources in the Yukon and Northwest Territories. This is the type of administrators we had. But when the minister heard of it he called Mr. Wilson from the United States, they had a dinner in Ottawa and he cancelled the permit himself. Mr. Wilson was very upset indeed, but the deputy minister went off and got himself a job in a welfare agency in the United Nations. There is a big improvement since then.

I have found in conversations, particularly in recent weeks, there is an increasing interest among members in the house in this department. There is an increasing interest on the part of the informed public, those persons who concern themselves with these problems regardless of their parties. There has also been an increasing interest on the part of the press and of certain well known writers in this country. These people have all become generally critical of the policies of the senior administrators of the department.

Now I want to deal with just a few quotations from various reports to show how the department has responded to recommendations from committees, and so on. I cannot take the time of the committee at length, but in 1960 the estimates of this department were referred to the committee on mines, forests and waters. That committee had various officials of the department come before it who read nice little essays in some cases, and answered a few questions. However, in the report of the committee to the house, on Tuesday, June 28, 1960, in paragraph 4 it stated:

> Water is one of Canada's most important resources. Carefully planned use of this resource is of the utmost importance not only to the present generation but to all those to come....
>
> 6. The committee notes that the development of our nation is, to a marked extent, dependent on the orderly development of our water resources and that as our population and industry increase there is an increased need for careful planning of the use of water supplies.

[Mr. Herridge.]

> 7. With the increased growth of the nation there is increased need for the type of investigations which are basic to the orderly development of water resources.
>
> 8. Your committee, therefore, recommends that: the minister of northern affairs and national resources take the initiative in offering to the several provinces of Canada to undertake studies, in co-operation with the provinces, of multi-purpose river basin developments. This will require an expanded program of engineering and economic investigations designed to show the possibilities for the development of the water resources of this nation.

Having in mind the needs of the nation as a whole, not just of one province, I should like to ask the minister how the department has responded to that recommendation. I happen to know that some of his officials are pooh-poohing certain suggestions made with respect to the need for greater supplies of water in future in the prairie provinces, and the possibility of getting them from a very appropriate source.

Then the committee went on to make certain recommendations with respect to the power resources of this country. It said vigorous research was required to study long distance power transmission. It spoke of the necessity for establishing a national grid and for the economic use of the power resources of the nation. I should like to ask the minister if the officials of his department have carried on any studies in this field, having in mind the development of the power resources of this country in relation to the needs of Canada as a whole.

The committee dealt, also, with the important question of pollution. Paragraph 10 of the recommendations states:

> Your committee recommends that the federal government accelerate investigations of pollution problems in Canada, particularly in those areas where it has legislative responsibility. In addition, at the request of the provinces, it should provide information which would be useful in establishing objectives of water quality control.

The committee then goes on to recommend certain procedures in this regard. I should like to know what has been done by the appropriate branch of the Department of Northern Affairs and National Resources to give effect to these recommendations on pollution control made by the committee on mines, forests and waters in 1960.

When I get an opportunity I take home one of the books containing the observations and recommendations of the royal commission on government organization, and use it as bedtime literature. Recently, I was using one of these books and I noticed a paragraph which reads:

> Research in the north of Canada is carried on by several departments and agencies of the federal government and by private organizations and individuals.

Later, it says:

While all scientific departments have some interest in the north, northern affairs and national resources has general and special interests and its responsibilities must be borne in mind in any assessment of the research roles of government departments in the north.

The report goes on to complain of overlapping of research work being done by a number of departments. Paragraph 31 of volume 4 of the report states:

Co-ordination of the multifarious northern scientific programs is in theory the responsibility of the Department of Northern Affairs and National Resources. The advisory committee on northern development has the following terms of reference:

To advise the government on questions of policy relating to civilian and military undertakings in northern Canada and to provide for the effective co-ordination of all government activities in that area.

The report goes on to imply that this is only the case in theory. According to the report, the officials are more concerned with building up their own little spheres of influence and things of that sort. Further on, conclusions are reached.

The present system is wasteful of money and personnel and does little to ensure that necessary research is being carried out. Certain conclusions are evident. Co-ordination of scientific work in the north and the determination of priority should be the concern of the proposed central scientific bureau.

The report goes on to deal with the way in which research might be carried on. Then the commissioner recommends, in paragraph 46:

1. That the Department of Northern Affairs and National Resources meet its northern research needs by contracting with other federal departments or private groups, and

2. That facilities and services for research in the north be provided by the Department of Northern Affairs and National Resources.

There we find a definite criticism of the efficiency of the department in this respect. I should like to know what the department has done to remedy this situation since the report of the royal commission was tabled in this house.

Then, again, as will be found on page 162 of volume 3, the commissioner recommends with respect to the administration of the department of northern affairs:

That the operation of the northern school system be transferred as rapidly as possible from the Department of Northern Affairs and National Resources in Ottawa to the several territorial administrations.

I should like to ask the minister if he has that suggestion in mind.

2. That the curricula used in northern schools be co-ordinated as closely as possible with those of the provinces immediately to the south of the several administrative districts.

I think that is a good suggestion and one which, if followed, would make sure that these children are getting a type of education similar to that received by the children to the south.

3. That the northern adult education program be revised on more practical lines and administered within the several northern districts.

The commissioner goes on to make several recommendations as a result of what he terms the inefficiency of the department in dealing with this question.

In his fifth book—this was my second night of reading—the commissioner has this to say:

1. The national parks be administered by a commission of members chosen from outside the public service, appointed for specific terms and remunerated for their services.

I am not suggesting I agree with that. But it is recommended because of the inefficiency the commissioner found in the administration of the national parks. He recommends:

2. The national parks commission be organized on essentially departmental lines but under a board of full time commissioners appointed for fixed terms and removeable only for cause.

I do not say I agree with that, either. Nevertheless, the recommendation is made in an attempt to improve the present situation.

3. The operation of the northern school system be transferred as rapidly as possible from the Department of Northern Affairs and National Resources in Ottawa to the several territorial administrations.

I would agree with that. Then follows the recommendation:

4. The responsibilities of the Minister of Citizenship and Immigration relating to Indians in the north be transferred to the Minister of Northern Affairs and National Resources.

I do not know the reason for that recommendation. But the commissioner goes on to make several recommendations, and this is because he is critical of the administration of the department in these fields.

Now we come to the national parks. What does the commissioner have to say about them? I have been interested in national parks. I happen to know the Revelstoke national park fairly well indeed, and I know a large number of people who live in Revelstoke. I have some questions on the order paper with respect to the administration of that park and I am looking forward to getting answers to those questions. I would say this to the minister: the administration of the Revelstoke national park requires his closest scrutiny. I have talked to a couple of dozen well known citizens of Revelstoke, not necessarily members of our party, who are highly critical of what they claim is very wasteful expenditure in the administration of the national park in Revelstoke. I will deal with that subject in greater detail when I have had a reply to the other questions I have raised. The commissioner has this to say as will be found on page 38 of volume 2 of the report:

An undue involvement of park managers in detailed problems on a day to day basis compounded by delegation to them of insufficient authority to make decisions on the spot.

These are the unsatisfactory conditions he found. I judge from what the minister said tonight that he intends to remedy this situation by providing reforms which are long overdue. They have been delayed for years because there were administrators in Ottawa who would not let the reins of power go to provide for decentralization.

The commissioner goes on to say:

Financial records showing expenditures for local services and facilities not used to establish the basis of charges to residents for utilities, garbage collection and other municipal-type services.

Finally, he calls attention to:

An illogical and inconsistent pattern of rentals for land used for residential and commercial purposes.

He recommends that—

A complete review of national park policy should be undertaken.

I think that is a good suggestion. There is a tendency to give in to certain interests which would like to exploit the natural resources of the parks, either for mining, or for lumbering, or for some other enterprise. I think we have to be very careful not to trespass on the beauty and natural wealth of our parks in this respect.

The recommendations read, in full, that—

1. A review be made of national park policy and a comprehensive statement of future goals be incorporated in the relevant legislation.
2. The national parks be administered by a commission with members chosen from outside the public service, appointed for specific terms and remunerated for their services.

I have brought these things forward as reflecting the opinions of the commissioner. I am not saying I agree with all of them. However, he has found examples of inefficiency and maladministration in certain branches of this department. I have also referred briefly to the recommendations of the committee in 1960. I believe this department requires a thorough investigation and review of its activities. I believe such a review should be undertaken by the committee on mines, forests and waters next session—I am not suggesting there is adequate time in which to do it this session. I do think we should have a thorough investigation into the activities of the department carried out in a constructive manner in an effort to support the minister in his campaign for reform, progress and improvement. Let us hear the officials of the department. Let us hear witnesses from organizations which are interested in the work of all the various branches of the department. I think a thorough review along these lines would lay the foundation of information and knowledge which would enable the minister to develop policy and reorganize on lines to meet the needs of the present day.

[Mr. Herridge.]

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, it goes without saying that on this question of the Northwest Territories and as regards the estimates of the Department of Northern Affairs and National Resources, there are several matters to discuss.

Today, I should like to bring up another point concerning the Department of Northern Affairs an National Resources and the Northwest Territories. It has to do with a whole section of the coast line—and I feel the debate on these estimates provides a good opportunity to deal with it—which surrounds the provinces of Quebec and which is hers by natural and constitutional rights.

If we take the maps published by the Canadian government and look at map No. 10, in the Canada Atlas, entitled "Bathymetry and Orography—Eastern Canada", we see among other things the whole area of Quebec, including new Quebec, James bay and Hudson bay.

In the middle of Hudson bay, there is an inscription in very small type that says: All islands in Hudson bay and James bay are included in the Northwest Territories. It is written in very small type and may seem unimportant; it is somewhat inconspicuous from a typographic point of view, but it implies all the same very important and far reaching consequences for the province of Quebec.

When the Canadian government in 1912, turned over this part of the Northwest Territories, that is new Quebec, to the province of Quebec, the protocol of this transfer provided that the jurisdiction of the province of Quebec—and this is where the transfer becomes important—over the new territories would extend as far as the high-water mark exclusively, that is up to the limit of James bay and Hudson bay.

It means, in practice, that the area washed by the tides, high and low, and you know that in that part of the country the tides are often several miles wide on the shores of Ungava bay and all along the new Quebec shore line, that all that land, between high and low tide, lies outside the jurisdiction of the province of Quebec.

It means, in practice, that the province of Quebec does not have the right to build a wharf or a quay along the coast line of the province, from the Ontario border to the north, without the authorization of the federal

government. Therefore the province of Quebec cannot have any outlet to the sea, any bridge or quay without Ottawa's authorization.

It means also that all the islands near the shore, even if they are only a few miles or a few hundred yards from the mainland, are considered thereby to be outside the province of Quebec.

In this respect, one might mention that a particularly serious case is to be found at Port Burwell, a post inhabited by 80 Eskimos and with no permanent white resident. Not so long ago, the Department of Northern Affairs and National Resources set up there a co-operative cold storage warehouse with a capacity of several thousand pounds. That post is located on Killinek island, which is separated from the mainland and, therefore, from the territory of the province of Quebec, by the strait of Forbes, which is only two and a half miles wide.

As illogical as it may seem, that post, located on an island of the province of Quebec, comes under the Northwest Territories administration, eastern Arctic region, with headquarters at Frobisher, south of Baffin island, which is quite a distance away.

To show what absurd consequences those limits that were imposed may bring, even as far as law enforcement is concerned, let us take for instance the case of an Eskimo residing in the province of Quebec. Should he have committed an infraction or a crime punishable before the courts of that province, he could escape from the Quebec police simply by taking refuge on an island located a few hundred yards offshore. The province of Quebec would then have to apply to Ottawa for permission to pursue a person subject to arrest or the mounties from Frobisher or Cape Dorset would have to travel a very long distance to come and arrest that person and then hand him over to the Quebec authorities for prosecution.

We must not forget also—and that is another of the very important consequences of the present boundaries of these islands and frontiers between the Northwest Territories and the province of Quebec—that commercial, industrial and mining corporations wanting to evade the laws of Quebec in fiscal, labour or social matters, might establish themselves on the very shores of new Quebec, but below the limits at high tide; consequently, those industries would be located on the shores but on the other side of the point reached at high tide; those industries, although on the normal territory of the province of Quebec, but because the tide goes a little higher, would be located in the Northwest Territories.

The same thing would happen if an industry or a plant were to locate on an island lying a few hundred yards from the province of Quebec, or even immediately adjacent to the shore. Then those establishments would be considered as part of the Northwest Territories and would not have to account to the province of Quebec for anything.

Those are obviously matters that must be put right to avoid Quebec being faced one day with precedents that might prove extremely dangerous to its territorial sovereignty.

That natural boundary, passing above the high water mark, as it is today, may moreover, result in a serious restriction of the rights of the province of Quebec in matters of toponymy. Indeed, the government of Quebec experienced some difficulties in this respect hardly a year and a half ago.

Actually, the government of Canada could refuse Quebec the right to name or change the names of any coast inlets: fjords, bays, creeks—as it happened indeed in late 1961, and, again, in February 1962—under the pretext that those geographical features are within the limits of the Northwest Territories.

I think, Mr. Chairman, it will be easily realized that the whole situation is really nonsensical, because the Canadian territorial waters limit off the Canadian coast is set at three miles. Consequently, the law should apply to the whole country, and also to each part of this country. At any rate, it should be pointed out that all the islands in the St. Lawrence and its estuary belong to Quebec, whatever their distance from the coast.

The foregoing remarks prove that it is absolutely essential to consider, with the briefest possible delay, the following rectification of the Quebec boundaries:

1. Awarding to Quebec of the whole coast lying at low tide—and I repeat low tide—from the Ontario boundary, at the end of James bay, to the eastern entrance to the Hudson strait.

2. Awarding to Quebec all islands within the territorial waters limit, according to the Canadian concept of that term, that is up to three miles off the limit at low tide, whereas today, the Northwest Territories extend to the limits at high tide.

We would like the whole boundary to be based on that three mile limit at low tide. Such a provision would imply among other things, that the province of Quebec take back the Button islands at the eastern entrance of Hudson strait, as well as the Diana Bay islands, the Digges islands, which are located immediately to the west of cape Iberville, at the western entrance of the Hudson strait, Smith island with Cap-d'Youville (cape Smith), the Jemmeraie or Hopewell islands,

the isles of Nastapoka and Manitouc as well as Grande Ile (or Great island) on the Hudson bay coast.

3. We should also consider the annexation of various islands situated off the territorial waters limits of Quebec, which appears particularly appropriate: Akpatok island in Ungava bay, Charles and Wales islands, in Hudson strait, Mansel island at the western entrance of Hudson strait, the Ottawa isles, the King George and Sleeper islands, the Bakers Dozen and the Belcher, all in Hudson bay, and finally, Charlton island and the Twin isles, in James bay.

Mr. Chairman, I submit that if you study the map of the Northwest Territories and of their islands, which surround the province of Quebec, you will readily admit that Quebec is entitled to consider these islands as part of its territory.

All these islands are situated directly in the normal zone of influence of the province of Quebec, just as the island of Anticosti and Îles-de-la-Madeleine, though situated much beyond Quebec territorial waters, are very much within the zone of economic and maritime influence of Quebec; that is why they fall quite naturally within the jurisdiction of that province.

Moreover, most of the islands I mentioned are made of calcareous or crystalline rocks, as is the case for Charles island or for the Belcher islands which are used as hunting grounds by the Eskimos of the various posts in new Quebec.

It must be said that as a general rule, those islands do not seem to contain very promising mineral resources, although some contain limestone which could be developed for construction purposes. By the way, the Eskimos use them and bring out some chips.

It must be mentioned also that in the Belcher islands, are found some iron ore deposits which are said to be quite interesting.

The annexation to the province of Quebec of all those islands with a surface larger than that of all the islands located in the St. Lawrence river and in its estuary is an imperative and urgent need in order to put a stop to the present territorial nonsense, and especially to see to it that the province of Quebec is not completely surrounded by all that series of islands later on, should another province be constituted out of that part of the Northwest Territories.

In any case, it would be illogical to annex those islands and archipelagos to any influence zone other than that of the province of Quebec.

This revision of the natural boundaries will permit, moreover, to establish the undisputable sovereignty of Quebec on Killinec island, where is situated the Port Burwell post, and also on the whole zone of the movement of the tides, which is, for Quebec, of capital importance.

Mr. Chairman, now that I have dealt to the best of my knowledge with this question of the boundaries of the province of Quebec and the surrounding islands, I would like to touch on another subject which is particularly close to our hearts.

When we look at the official maps of the province of Quebec, and even at those of the federal government—I have one which has been published by the "Department of Northern Affairs and National Resources", we may read:

> The boundaries between Labrador and Quebec are not indicated, and for good reasons.

That is why those boundaries are not mentioned or marked on the geographic maps of the province of Quebec.

That simple note which appears on the maps of the province of Quebec sums up the whole problem of the boundaries between Quebec and Labrador.

In fact, the province of Quebec has never recognized, and rightly so, the principle of the decisions which were imposed by a judgment of the privy council, in London, in 1927, at the time of the trial that opposed Canada and Quebec to Newfoundland.

It is therefore the interpretation of the judgment and not the judgment itself which resulted in the fact that Canada and the province of Quebec never agreed on the new boundaries as they are shown in some instances.

In certain areas of that imposed boundary, the province of Quebec is facing an unbearable *de facto* situation.

According to reliable sources, it seems that mining concerns have assumed the right to draw the boundaries inside mining claims. Since those companies enjoy important material privileges in Newfoundland, such as lower royalties and provincial taxes, they have an obvious interest to settle on the so-called Newfoundland side and to push the boundary back to the Quebec territory, for the benefit of Newfoundland, and, of course, their own one.

They sort of play at see-saw, and they settle on the side where taxes are lower. This is prejudicial to both Newfoundland and the province of Quebec.

For instance, the Iron Ore company has installed at Labrador city, in the so-called Newfoundland territory an ore concentrator for which they pay operation taxes to Newfoundland.

Furthermore, Newfoundland demands that the majority of workers employed by that company, in that so-called Newfoundland territory, be Newfoundlanders.

Thus the province of Quebec is deprived of its due in many fields.

In view of such provocations, I am afraid that Quebec's empty protests are no longer sufficient because the mining companies are taking advantage of the Quebec government's present inaction.

Yet, the province of Quebec would have to make only one move to stop the shipment to Seven Islands, by railroad, of the iron which comes from the so-called Newfoundland territory. It would be so simple.

That is how, in our opinion, the question of boundaries should be settled.

The province of Quebec can obviously not remain idle in the presence of those facts.

We hope that action will be taken following the revealing statements concerning the frontiers of Labrador which were made by the Quebec minister of natural resources, Mr. Rene Levesque, when he made a tour of New Quebec, in July 1961.

This is how we disagree with the interpretation of the judgment which was handed down in 1927.

**Mr. Cantin:** Mr. Chairman, I rise on a point of order—

**Mr. Gregoire:** This judgment of 1927 concerning the frontiers of Labrador—

**The Chairman:** Order. I see that the hon. member for Quebec South wishes to rise on a point of order.

**Mr. Cantin:** Mr. Chairman, I rise on a point of order. The hon. member for Lapointe has been dealing for the past five minutes with a matter which is completely irrelevant to the present discussion. It is true that there is a dispute between the province of Quebec and Newfoundland regarding their boundaries, but I wonder by what authority the federal government can settle this problem. Therefore, I ask that the hon. member be called to order and that he restrict his remarks to the responsibilities of the federal government.

**Mr. Gregoire:** Mr. Chairman, allow me to say a few words on this point of order.

This is a question of principle, as far as we are concerned. The boundaries have not been recognized. Therefore, according to us, the territory in question does not belong to Newfoundland nor, as a principle, to the province of Quebec so long as the problem is not settled.

That means that so long as a new interpretation of the judgment delivered in 1927, is not given, we believe that this territory does not belong to any province and that it rests with the discretion, the good judgment and the authority of the Department of Northern Affairs and National Resources to make a decision on the matter.

That is why we are bringing the problem to the minister's attention today, since we are considering the estimates of his department. We want to entrust this responsibility to the Department of Northern Affairs and of National Resources.

I feel, therefore, that I should be allowed to refer to this problem and to call the minister's attention to it, because we do not accept the boundaries that are being imposed on us at present. This is reason enough to raise this matter.

**Mr. Cantin:** Mr. Chairman, I feel that the hon. member for Lapointe has just recognized that the point is well founded. It is obvious that the territory in question belongs to one province or the other. However, it is not up to the federal government to decide the boundaries of that territory, especially since there is already a judgment on the matter. It is up to the courts, not to the minister, to decide the matter.

**An hon. Member:** Good. Neither one nor the other.

[*Text*]

**Mr. Olson:** I wonder if I might ask the hon. member for Lapointe a question? We have heard him make a number of requests about extending the frontiers of Quebec both to the north and the east. I am wondering if he is satisfied with the present boundaries to the south and the west?

**Mr. Gregoire:** I should like to answer the hon. member for Medicine Hat by saying that he will have to wait and see.

[*Translation*]

Mr. Chairman, in my opinion my remarks are in order, because this question has not yet been settled and does not come under any particular jurisdiction, except that it rests with the federal government to take a decision in that respect as soon as possible. Among all federal departments, I think that the matter comes under the Minister of Northern Affairs and National Resources and this is why I take this opportunity today to point out this matter to the house. I am asking the hon. member for Quebec South (Mr. Cantin) to let us deal with a problem which is so important for the province of Quebec and to which he should himself give more consideration.

Now, Mr. Chairman, I would like to explain a judgment delivered in 1927 and I will thus

prove that my remarks are in order. Anyway, I will not take more than three or four minutes.

It will be recalled that the 1927 judgment essentially dealt with an interpretation of the term Labrador coast. This interpretation, Quebec has the right to reconsider it, because it is a real geographic aberration. The proof is that there is probably not a single geographer in the world who would apply to the word "coast" the description given by those who were responsible for the enforcement of the judgment.

In fact, on the strength of such an argument based on the interpretation of those who delivered the judgment, the coast of Brazil, through the Amazon basin, would extend to the Andes; the Mediterranean coast up to Ethiopia, through the White Nile and the Blue Nile; and the shores of the Black sea, through the Danube, would extend up to Austria, Hungary and even up to Switzerland, Germany and Czechoslovakia.

It is therefore because of such nonsense that the frontiers of the Newfoundland section of Labrador have been pushed back a distance of 450 miles or more within the province of Quebec, when they should have been set near the coast, as was recommended by representatives from Canada and Quebec.

A frontier established from the watershed is unacceptable to the province of Quebec; and it seems that the only reasonable and acceptable solution would consist in the determination or the setting of a frontier parallel to the coast, which would correspond, at a distance of from six to twelve miles within the mainland, to the outline of the present lay out, from the limits of the low waters on the coast, the low tide limits.

Thus, the unquestionable Newfoundland rights on the whole Labrador seashore would be fully respected and recognized. Such a solution would permit Newfoundland to maintain full and entire "jurisdiction"—which it exercises just the same nowadays—over the settlements at Forteau, Anse Eclair, Pointe Amour, Anse a Loup, St. Modeste, Carol Cove, on Simpson straits, St. Lewis Bay, Hawke Island, Cartwright Harbour, Northwest River, Goose Bay, Makkovic, Hopedale, Nain, Ford Harbour, Hebron and Saglec on the Atlantic Coast.

Such a solution would moreover represent a definite improvement over the proposal made by Canada in 1927, whereby Newfoundland was to be given a coastal belt of one mile only.

Mr. Chairman, I will conclude my remarks on Labrador by saying that because of the serious prejudices the present anomalies and lack of precision in the natural and political frontiers of new Quebec represent for Quebec's sovereignty, the finding of an overall and final solution, consonant with the higher interests of the province in its new Quebec territory, has become an imperative and even an urgent matter.

**Mr. Guay:** What knowledge do you have of that?

**Mr. Gregoire:** Mr. Chairman, I hear the voice of an hon. member who does not seem to be at all interested in the question. Maybe he should start studying this problem, if he wants to represent his voters adequately, especially those of the province of Quebec. If some of his colleagues wish to find out about this, the hon. member should not spend his time criticizing them, but should imitate them, otherwise he will always remain seated. Moreover, I do not know him, I never heard him speak. In fact, I do not know what riding he represents.

**An hon. Member:** Levis.

**Mr. Gregoire:** It is the member for Levis?

**An hon. Member:** Yes.

**Mr. Gregoire:** Mr. Chairman, it is surely the very first time the hon. member for Levis has spoken in this house.

Mr. Chairman, I suggest to the Minister of Northern Affairs and National Resources that he should take into consideration the few remarks we just made about fixing new boundaries between the Northwest Territories and the province of Quebec.

The minister will soon introduce two bills concerning the division of the Northwest Territories. We anticipate that this concerns the establishment of two new provinces, but before it is too late and while it can still be done, we urge him to seriously consider these points and to submit amendments himself concerning the islands surrounding the province of Quebec.

He can do so by convening a conference between the federal government and the provinces of Newfoundland and Quebec with a view to studying the fixing of new boundaries between the province of Quebec and Labrador.

Mr. Chairman, I made these few suggestions in good faith, without any bias, without political partisanship, in an effort to co-operate with the present government for the solution of this problem before it is too late.

[*Text*]

**Mr. Addison:** Mr. Chairman, the remarks of the hon. member for Lapointe caused me to wonder if the premier of Newfoundland would be concerned, in view of the fact the

hon. member seemed to be looking eastward towards the province of Newfoundland.

I should like to speak this evening, Mr. Chairman, about Canada's bid for the 1968 winter Olympic games. I am sure hon. members are aware of the fact that recently, in Baden-Baden, Mexico was awarded the 1968 summer Olympics. At that time there were a number of applicants, of which one was the United States and in particular the state of Michigan. The governor of Michigan attended the international Olympic committee and showed a film made by President Kennedy and various other officials. Nevertheless, Mr. Chairman, Mexico was awarded the games. It was stated at that time by the international Olympic committee that wherever it was possible countries who had not hosted the Olympics before would be given preference when decisions were made. This was the announced policy of the international Olympic committee.

In January of 1964, Canada's application will be placed before the Olympic committee at Innsbruck. It is expected that France, Norway, Finland, Switzerland, the United States, Japan and Canada will all bid for the 1968 games. All of these countries, with the exception of Canada, by 1968 will have been host to the Olympics. Unquestionably, Canada wants these games. A great deal of work has been done by private individuals, particularly in the Banff-Calgary area, in making a presentation to the Olympic committee.

As we all know in this house, Canada has produced outstanding gold medalists, particularly in the winter Olympics. We need only remember Barbara Ann Scott, Anne Heggtveit and Lucille Wheeler, as well as many others. We do have an excellent chance, Mr. Chairman, and I should like to bring this to the attention of the minister, to be awarded the 1968 games at Banff. If we are awarded these games I would suggest to him and to his department that we go first class, because Canada will be watched by every other nation in the world.

The Banff area is ideally situated for the winter Olympics. Of course many things will have to be done, but things can be done in this area that will prove to be great assets to the tourist industry and to the province of Alberta. Some of the things which have to be tackled are housing facilities for the athletes and providing food for them, corresponding to the fare in their native lands.

All this means financing, and this is the point I am stressing this evening—that each area of government, federal, provincial and municipal, must be 100 per cent behind Canada's bid. I suggest to the minister that these fiscal arrangements be settled at the federal-provincial conference on November 25, whereby the federal government, Alberta and the city of Calgary will participate; and I know that the city of Calgary, represented by its former mayor, now Minister of Agriculture in the cabinet, will give a very sympathetic hearing to such proposals. The Olympic games will be a lasting benefit, not only to the Calgary area but to all Canadians in encouraging them to participate in such sports.

In closing I would like to comment on the fact that, despite his professed interest in northern affairs the hon. member for Yukon has not found time this evening to be present when the estimates of the Department of Northern Affairs and National Resources are under consideration, and I would draw to the attention of the committee that an hon. member who has been on his feet so many times should be in attendance this evening.

**Mr. Rheaume:** Mr. Chairman, I am as anxious as any hon. member on the government side of the house to see the estimates of this department passed tonight, because more so than with any other department it is essential that the minister and his staff have parliamentary approval for their plans. The reason is that it takes considerably more effort in planning a northern development program, with all the problems involved of transportation and communication in the Northwest Territories, than it does in planning a program in any other federal department of government.

In brief answer to the previous speaker, I would point out that the hon. member for Yukon is not here tonight, not through any frivolous activity on his own part, but because he has a great deal of constituency business to do, including attending an annual meeting, which this house recognized by agreeing to pay his transportation costs.

**Mr. Macdonald:** What annual meeting?

**Mr. Rheaume:** Since I am asked, the annual meeting of the Progressive Conservative party of the Yukon territory. Apparently it is the only political organization in the Yukon territory that is active, so he must attend that meeting.

Mr. Chairman, there has been a great deal of recent interest shown in northern Canada, and an awakening and awareness of unprecedented proportions, all resulting from the policies of the former government under the leadership of the Right Hon. Mr. Diefenbaker. I know, and I feel very keenly, the fact that laughs and jibes have been directed at the Canadian north, and northern development, not just by members of any one political party but by a great many southern Canadian—southern Canadians who neither know nor understand what it means to breathe fresh air, and who have forgotten how to pioneer,

the people who crowd the 49th parallel, and whose ideas of adventure is to sit on winter nights like great puddings with the sauce of television pouring over them.

Let me tell you, Mr. Chairman, by any yardstick you care to use, be it miles of road, school classrooms, hospital beds, welfare houses, nursing stations, or that great old yardstick, dollars, more was done in the Canadian Northwest Territories during the period 1958 to 1962 than in all the years from confederation onward put together. In those four years there was massive extension of necessary administration, health, welfare and educational services.

**Mr. Macdonald:** When they had a Liberal member.

**Mr. Rheaume:** The hon. member for Toronto-Rosedale insists on interrupting me tonight as he did the other night, but this will not prevent me from laying the record, concerning the Northwest Territories, before the committee. One development of special local, national and international significance occurred during this period. By virtue of the Nielsen bill the federal franchise was extended for the first time to the thousands of Canadian citizens living in the eastern and central Arctic, and in the Keewatin district of northern Canada.

It had local significance because this is the first time the Eskimo people had been consulted in any meaningful manner. It had national significance because it showed that the bill of rights was in fact a viable and dynamic document guaranteeing to every Canadian citizen the right to vote. It had international significance because it showed that in Canada at least, and at last, we were a country that understood that the ballot, the right to vote, is the foundation of democratic government.

I want to deal now with a phase of northern development that has just begun. I speak of the greatest resource which the northern territories have: their human resource. We must never be fooled into thinking that schools, hospitals and roads by themselves constitute the human development program. It is not enough for northern schools to produce graduates if the potential resources to provide jobs for those graduates lie dormant. It is not enough for our multi-million dollar hospitals in the north to repair diseased lungs if hunger and cold await the discharged patients from those hospitals. Surely the immediate task that faces the government in the Canadian north is to tie in a physical resource development program with its human resources, to stamp out the double curse of poverty and disease that still afflicts almost every non-white resident of the Canadian Northwest Territories.

Surely a country that has the courage, foresight and the money to build highways, railways and schools can now focus its energies on the shacks, tents and igloos that still exist in the Northwest Territories to blight the mind and heart of everyone who has the eyes to see them. Surely the government can now devote greater energy to providing jobs for all our northern people, not just for the swarms of graduates starting to come out of our northern schools but for the older people in the Northwest Territories who are now dependent on meagre welfare handouts when they cannot eke out a precarious existence in 55 degrees below zero weather.

I for one cannot feel happy when confronted, as I have been on numerous occasions in my travels throughout the Northwest Territories, with the anomaly of superheated, fresh-vegetable-filled D.E.W. line sites put there at fantastic cost to the Canadian government, in the very presence of our Eskimo people who spill their tattered and ragged lives digging in D.E.W. line garbage heaps, attempting to survive under the worst living conditions on earth.

I have had the opportunity to hold private conversations with the minister of northern affairs and with his parliamentary secretary, the hon. member for St. Lawrence-St. George. I agree with the statement the minister made to the press in relation to housing. While he and I may not agree on many things, as has been obvious from my grievance, we do agree that there is no point in attempting to rehabilitate an Eskimo or an Indian who is cold, who is hungry or who is in rags. In the last five years in the Canadian Northwest Territories some 400 housing units were built for these people. I merely wish to say this: The job has just begun. On the basis of my conversations with the minister I am sure that neither he nor his parliamentary secretary will be happy until every person living in the Canadian north has a decent house and an opportunity to preserve the health and decency of his family. We will not be happy until we know that no Canadian citizen must attempt, in 1963 or in some future year, to chase scarce caribou in 55 degree below zero weather in the hope of finding something for himself and his family to eat.

The Department of Northern Affairs and National Resources has a large staff in the Northwest Territories as a result of a decentralizing process which began about three years ago. There are now field officers in many parts of the Canadian north, and the

minister, together with his parliamentary secretary, visited many of these men on his recent trip. I, for one, approve completely of the program whereby services in the remote parts of Canada were decentralized. I also wish to say that, with one or two startling exceptions, the staff of the department is excellent. I think the time has come when the minister, his deputy and his senior officers must see to it that these staff members are given greater authority. This is the only way in which they will be able to make their maximum contribution to the development of the Canadian north.

The myth is widespread in the Northwest Territories that the federal government has a monopoly on idiots. However, these officers are, for the most part, competent and dedicated men who are anxious to carry out programs which are in the best interests of the people of the north. They are capable of carrying out these programs. The reason they are capable of doing so is that, not only do they possess the qualifications which took them into a pioneer country, but they have the experience of living there. I myself lived for five years in the Canadian Arctic hundreds of miles from medical services. I know what it is to have children born two hundred miles north of the Arctic circle, with all the anxiety this places on an officer serving the crown and on the members of his family. I know that in many instances the competent and dedicated efforts of those officers who choose to go into the Canadian Arctic are hampered by a lack of authority. By this I mean that the staff of the department in the field must not be relegated to the role of message carriers. Too often this happens. I could give the committee an example. A field officer 200 miles north of the Arctic circle was not able, because of existing procedures, to approve a program whereby a young Eskimo girl could go to Edmonton to take a hairdressing course. The matter had to be referred to a committee composed of the heads of the department of northern affairs in Ottawa. It would have involved only $160 to settle this particular problem, yet the time alone of those senior officials who had to consider it was worth some $1,000. I will not take the time of the committee by giving further examples of this kind. I will merely say to the minister, now that he has decentralized responsibility in the Canadian north: For God's sake give these officers authority to act.

The Northern Canada Power Commission is also an agency for which the minister is responsible. I would ask that in his review of the department the hon. gentleman should take a close look at the cost of electricity to private consumers in the Canadian Northwest Territories. For the most part, those who use electricity in the north are civil servants or officers of the crown, and they do not pay directly for the cost of electrical services. But those people who are seeking to set up homes of their own and who are not employed by the crown, those who are seeking to establish businesses and develop the country, do have to pay their own bills. I do not exaggerate when I say that a typical light bill in the Northwest Territories for a private consumer will amount to over $100 a month for normal services. Somehow or other, the Northern Canada Power Commission must be convinced that, as a crown agency, it has a special responsibility to see to it that private citizens and private businessmen in the territories are not prevented from operating successfully or inhibited against entering the region because of the exorbitant cost of power.

I should like the minister in his dealings with the commission to consider the fact that in every Canadian northern community electrical services are provided only to those who are there as civil servants or as employees of the Hudson's Bay company, as members of the R.C.M.P. or of some other government agency. In every case when the commission installs a power plant in the territories, the people who benefit from the electricity and from all the things it can mean include everybody except the Indians and the Eskimos. I have asked questions about this, both of the minister and of the power commission and I am usually told: "The Indians did not ask for it"; or, "the Eskimos have failed to ask us for such a service."

Well, there are many things for which the Indians and the Eskimos in the Canadian Northwest Territories did not ask. But they got them. They got our Criminal Code. They got our regulations on trapping, hunting and fishing. They got our health standards which are now enforced. Surely, the Canadian government does not want to say that, until such time as the Indians and Eskimos come to them and fill out the necessary forms asking for electricity, electricity cannot be given to them. Surely, the time has passed when we should run a power line right over the roofs of the houses of the Indian and Eskimo people on its way to an R.C.M.P. station for example, without seeing that those people derive some share of its benefits? Surely if we can send our children in the north to million dollar schools—and I approve of this—we should not expect the same children to come home to study by coal oil or gasoline lamps if, indeed, they have such lamps. In many cases the only light available is candlelight.

I hope, indeed I am certain, that the minister will make a careful review of job opportunities for the Indians and the Eskimo people in the territories. For many years those of us who have worked in the department said to private enterprise: We have hundreds of Indians and Eskimos who are out of work; for goodness sake employ them in your projects. This has been going on for many years. The government of Canada has been the worst offender in the territories in making use of local labour, yet it is the major employer in the Northwest Territories.

We have made a promise to the Indian and Eskimo people of the north. Speaking on behalf of the people of Canada, we have said: Give up your children; give up your culture; give up your traditional methods of hunting, trapping and fishing; these things can no longer serve you; if you do, there is a new life for you. The minister of northern affairs must see to it that we do not let these people down after they have sent their children thousands of miles at six years of age to attend residential schools. Often they do not see their youngsters from one year to the next. They have done these things and, surely, we now have a special responsibility to see to it that the Eskimo and Indian children of the Northwest Territories who decide to throw in their lot, somehow or other with the people of southern Canada, are not betrayed in the trust they have shown. In this regard there have been some excellent examples of private enterprise and private industry in the Canadian north which have made extensive use of local labour. I think for example, of the Peter Bawden Drilling Company of Calgary, which went out of their way to make sure that, when they put down the first wildcat drill at Winter Harbour, on Melville island in the high Arctic, the men who operated the drill were Eskimos. I do not want to suggest for a second that Peter Bawden, who is a good friend of mine, does not know the value of a dollar; I merely want to suggest that he went out of his way to see to it, long before he commenced his operations, that Eskimo men were brought from the Canadian north, in co-operation with the department of northern affairs, trained in the work of a drilling rig, and taken back to carry out the job which he knew needed special men, men peculiarly adapted to the rather difficult climatic conditions of the Canadian north.

I think also of the Hudson's Bay Company; and believe you me, Mr. Chairman, there are many people in the Canadian north who would like to knock the Hudson's Bay Company. One thing about the Hudson's Bay Company—I have suggested this before in this house and I say it again—is that they made extensive use of local labour, the Eskimo and Indian people, in their operations in the Canadian north. They used them—and I use the verb in its best sense—extensively, to be sure that those people who were there had an opportunity to lead a decent life and receive a fair wage. I think of the mine at North Rankin inlet which made a point of using Eskimo labour when it opened up some 500 miles north of Churchill, a step which has now been followed by some of the mines in Yellowknife.

The Canadian government, which has the primary responsibility to see to it that this vast labour pool in the Canadian north is utilized, must start showing some leadership in this regard. It is not enough to go to a construction company and to say: "For goodness sakes hire Eskimo and Indian people", when at the same time the Canadian government, with its many departments—the Department of Transport, the Department of Justice, the Department of Northern Affairs and National Resources and the Department of Public Works—is importing men from the Canadian south to fill jobs which too easily could be filled by Eskimos and Indians. You need look no further than the crown corporation, Northern Transportation Company, which this summer imported some 200 workers from the south, even for unskilled positions, to an Arctic community when there was a labour pool there of 120 Eskimo men trained in Arctic work, trained in navigation on the coast, and not one of them was hired. I think it is time that before the Canadian government starts lecturing private businessmen in the north they had better set the pace themselves.

There are other areas of the Northwest Territories, Mr. Chairman, which I hope the Minister of Northern Affairs and National Resources will examine very carefully, with the whole of the government of Canada, through this department, carrying out functions which could better be carried out by private enterprise on the spot. I think, for example, of such things as the maintenance of the new Mackenzie highway to the Canadian north. Let me say that the Department of Northern Affairs and National Resources now maintains several hundred miles of road into the Canadian north as a result of a decision made by the former government. The department of northern affairs owns the machinery and hires the staff to do it.

I also wish to go on record at this point as categorically saying that the decision to allow the government to do this in competition with the private companies which were able and willing to do it was a mistake. It was, I say categorically, a mistake. We should not allow the government of Canada to do this when

other private enterprise companies are there. That was one of the mistakes which I hope will not be repeated by the minister.

In conclusion, Mr. Chairman, I want to assure the Minister of Northern Affairs and National Resources and his parliamentary secretary that they can count on full co-operation from both the hon. member for the Yukon and the hon. member for Northwest Territories, as well as all hon. members interested in the north, to help them convince other hon. members that the Canadian Northwest Territories is an area of special importance both now and in the future. More than anyone else, perhaps, I realize that the minister has many other responsibilities apart from the Canadian Northwest Territories. His department is a complex one. My great hope is that the door to the Canadian north will not be closed, and I am satisfied from my dealings with the minister that this will not be the case, that he has his main interest in the north, as had any other previous minister of the crown.

I have suggested, Mr. Chairman, that there are many other responsibilities which the minister of northern affairs has. One of these is the national museum, and knowing that the hon. member for New Westminster has a few things to say in this regard, at this point I will take my seat.

**Mr. Greene:** Mr. Chairman, I should like to join for a moment the hon. member for York North in urging upon this house the policy of supporting Canada's application for the winter Olympiad. It is perhaps unfortunate that the convenors of the Olympic games, in their wisdom, have encompassed within the Olympiad many sports, everything from volleyball to water skiing to bobsledding. Unfortunately they have not taken in that very popular sport of the talking marathon. If they had, we might get much more support from the great athletes of this house in that regard, and might have in fact a gold medal winner in the hon. member for Lapointe. Nevertheless, I urge upon the house to support the hon. member for York North in his endeavours in this regard.

I commend the last speaker from the Northwest Territories for the sincerity of his appeal, although I was in a quandary at one stage when he told us that things were never so good as they were in the last five years in the Northwest Territories, and subsequently told us of the ravages and ills which exist in that unfortunate part of the country today. So I am not quite sure which was the case. But whichever it was—

**Mr. Rheaume:** On a point of order, Mr. Chairman, the hon. member quoted me as saying, on the one hand, that things were wonderful initially, and that subsequently they were terrible. If he had been listening he would have found out that I said a massive effort had been made in the Canadian north, but that we had just begun, that there were still many tasks facing the minister of northern affairs, and I said I hoped he would continue with the maddeningly slow job of raising the living standards of the Canadian north. I said that only a start had been made.

**Mr. Greene:** I thank the hon. member for clarifying that point. I would point out it would thus appear that, in spite of whatever efforts they may have made, the last administration did not succeed in rectifying the great problems which exist. I believe the department under the present administration will take giant steps in this direction and undoubtedly exceed any efforts made by the past administration.

In this regard I should like also to join the hon. member for Kootenay West in commending the minister on his appointment, and in wishing him well. I feel, as the hon. member for Kootenay West stated, that this department has a challenge facing it second to none. There may be other departments upon which the spotlight of today, in the economic crises of the present, is focused more brightly from day to day; but I think there is no department upon which the tomorrow of Canada, and the day after tomorrow of Canada, depends more than upon his department. I believe in this minister and in this department we have great hopes for our tomorrow.

I think it is a fair criticism that posterity will have to level at our generation and at those who came before us, and it is one of the tragedies of this nation, that undoubtedly over the years we have prostituted our national resources. We have used them for today as we saw fit. We have been spoiling them, eating them and generally using them up for today's purposes without any thought of tomorrow. In this regard I suggest that one thing which is needed very badly, and has been needed very badly in the past, which comes within the compass of this department, is a national conservation policy whereby there may be some planning in the use of our resources, so that there may be some direction as to the use of those resources, their preservation and rehabilitation, to the end that we may leave something of the great yesterday for those who come tomorrow. I think this applies not only to water resources but also to timber resources, wildlife and other natural resources. I hope the minister and the department will have the ability, the great courage and the perseverance which it

will take to conceive such a national conservation policy, to bring it to fruition and to fight tooth and nail against the many vested interests that would undoubtedly oppose such a policy. This is something that has been very badly needed and I suggest that, irrespective of the hurrahs of today in the newspapers, the mark of history will be great for whatever minister of northern affairs and national resources has the political acumen, the foresight and the courage to bring in a truly important national conservation policy. I hope this will be done during the tenure of the present minister, and in the not too distant future under the present administration.

If I may move for a minute to the more parochial area of and adjacent to my own riding, I would point out that within 50 miles of the great capital of this country we have areas which are still undeveloped, great areas bordering the Ottawa river which might be used as a national bird sanctuary. In this land of ours we do not have too many such sanctuaries. It is possible that the United States has left us behind in this regard. I suggest it would be a great thing for Canada to have such a sanctuary within 40 or 50 miles of the capital. Right on the great Ottawa river, in the riding of the hon. member for Pontiac-Temiscamingue actually, there is a great undeveloped marshland where such a sanctuary could well be founded. I think it shows something of the impartiality of hon. members on this side of the house that I suggest that such a sanctuary be placed in the riding of the hon. member for Pontiac-Temiscamingue, because that part of the area is the best suited. If we were striving for industries I might not be so munificent, but I would be very pleased to let the hon. member for Pontiac-Temiscamingue have the ducks.

With regard to my own riding of Renfrew South may I suggest that in this very large riding there are great tracts of largely undeveloped land, land that has only been used to despoil it in some degree of its timber resources some generations ago, and which is now in the process of second growth. In this area there are great expanses of lakes which are as yet unopened because not even roads penetrate into some of these areas. These vast miles of undeveloped land are located some 75 to 100 miles from the capital of this country.

It is singular that we do not have a national park of stature in its pristine state, as the former minister said, within close proximity of the capital of the nation. I suggest to the minister that the lands in question are gradually being taken out of the public domain. They are being taken up for private use, and quite often by our friends and neighbours from the United States whom we are very pleased to have there in the summertime as campers. Nevertheless, in this area within 75 to 100 miles of the city of Ottawa it will not be too long before the land is used for private purposes to such an extent that it would be too costly to bring it back into the public domain for use as a national park. Unless the department takes action within the next few years the opportunity will have been lost forever.

May I urge upon the minister that he consider this possibility. I know that in so doing he will consider all areas in close proximity to the city of Ottawa, but I think the principle of having a national park close to the capital city of Ottawa is surely something worth striving for at the present time. Certainly with the centennial of confederation approaching it would be a monument that would be well worth while. May I urge the minister to consider this matter. It is my submission that in considering it he will find no area so well suited as the large area of lakeland and wild and undeveloped land in the great riding of Renfrew South. If the minister will do this, I believe he will win a place for himself in the hearts of the people of Renfrew South and in the legend and history of that riding. If at the same time he brings forth a truly worth while, comprehensive, universal, national conservation policy he will also win for himself and his department a very great and enviable place in the history of Canada.

**Mr. Fane:** Mr. Chairman, I am very sorry to note the lateness of the hour and to observe the shortness of the time left to speak on the subject of Canada's northern affairs and national resources. However, I should like to congratulate the minister on his appointment to this wonderful and important portfolio. I hope he will fill the appointment to the satisfaction of the people of Canada and will honour the position he now occupies.

Last summer I was very pleased to have the opportunity of meeting the new minister in Elk Island national park, which lies entirely within my constituency, on the occasion of the unveiling of the memorial to the pioneers of Ukrainian origin who settled in western Canada at the turn of the century. I might say that the people who were there at the unveiling were a little disappointed that the hon. member for Brandon-Souris, the former minister, was not there to unveil the memorial, because he was the one who authorized it to be placed in Elk Island national park.

I also want to say that the memorial is a memorial for people like Mr. Wasyl Eleniak who was the first Canadian settler from the Ukraine. He settled in the district close to Elk Island national park in 1891. He came

there some years after my people came to that district and the descendants of his family, his relations and the people he brought with him are my neighbours and friends today. He settled in what is now known as the Chipman area which is very close to Elk Island national park.

Up until about six years ago, I believe, Elk Island national park was the Cinderella park of Canada. It was originally started as a farm for the last herd of buffalo left in Canada after the great massacre of the 1880's. It was established as a reserve for the buffalo that were left. There are three phases to the operations of the park. It covers between 50 and 60 square miles and houses perhaps 500 buffalo. Many people in the area believe that the park should be able to provide plenty of food and pasture for 1,000 buffalo all the time. However, the wildlife experts think the number should be less.

This is one of the few parts that is comprised of the three phases. It has a wildlife phase, which embraces as I said about 1,000 buffalo, a great many moose, elk and deer; a recreation phase, composed of picnic areas, a swimming pool and other recreational facilities; and a farm where the food for the buffalo and other animals is raised so that they will not suffer in the wintertime. As I have said, many people around the area believe the basic herd should be approximately 1,000 instead of 500.

This park may seem like a local affair to some people, but it is not. There are approximately 200,000 visitors to this park each year and they come from every province in Canada as well as from the United States. As a matter of fact, they come from all over the world. It is truly, therefore, a national park. In addition to the recreational facilities which I mentioned, there is a nine hole golf course which is said to be one of the finest in the country. I would not know about that because I have never had a golf club in my hand. Some six years ago, as I said, this park was the Cinderella park of Canada. However, today there are two water purification plants, one for the use of the staff and one to serve the recreational area.

Since I do not wish to take up too much time of the committee, I want to say to the minister in conclusion that there are at least three things urgently required by this park. The first is a museum area. This area now contains only a replica of one of the original Ukrainian houses in our territory and a memorial to the Ukrainian pioneers. We wish that this museum area could be enlarged and a building erected that would house all the relics of the pioneers of western Canada. We also require a swimming pool, because at times the lake does not provide the best water for swimming. I have been told, too, that the recreational facilities would be improved with the addition of another nine hole golf course. If possible, it should be on a par with the one that is already there.

It may be that you think, as I said, this is a very local issue. It is not, because it concerns the people of Canada and the people who come from all countries to visit our national parks.

**Mr. Mather:** Mr. Chairman, I think it is a remarkable combination of history and geography that sees my friend, the Minister of Northern Affairs and National Resources, presiding over an empire of some 1,500,000 square miles in extent. This is an area roughly half the size of the continental United States. So far as I can understand from the Canada Year Book, the total population of that area could be placed in the Empire stadium in Vancouver for one of the larger football games. This disparity and lack of population probably only adds to the problems the minister has. This northern half of the nation is pretty well under an administration form of rule, and the problem of administering this great area rests on the shoulders of the minister and his administrative officers.

I think it is a fair comparison to say that the minister is responsible for problems in an area about the same of, or rather larger in extent than that which is operated at the present time by Mr. Ben Bella, who is running an area called Algeria. This vast territory includes the Yukon, Northwest Territories and national parks. As you know, the national parks themselves occupy an area larger than several of the states of Europe. This department extends its activities and interests from the drilling of oil in the Arctic to luring tourists from San Francisco. It includes in its operations many museums. It has no less than 40,000 square miles of bird sanctuaries, an area especially for the birds. This department, with its responsibilities, its spheres of interest, has come to us as a sort of catch-all or northern upstairs attic in which a vast accumulation of things has been stored, or perhaps left in corners over the years. In our opinion in this party, this situation has prevailed for too long. It should be changed. We think the time is now for us to take, as a nation, a new look at the department of northern affairs and to bring under a more realistic arrangement some of its functions and responsibilities.

I would say, Mr. Chairman, that we should put it this way. We should go up in the attic of the northern affairs department to see what we have there after all these years, and certainly bring down what we can handle to better advantage or put in a better place. In a brief talk on this immense subject, one can

do no more than to pick up, let us say, one small trunk out of the attic of northern affairs.

It seems surprising to me, and to many other Canadians, that this large department of northern affairs still has over-all responsibility for the national museum of Canada. Surely, with all its other officers and responsibilities, the department should be freed of the responsibility it has for the museum of Canada, the natural history branch and the human history branch. We say that these facilities should be made a separate entity. We think that they should be placed in the same category as the national film board and the national gallery, under a separate authority of their own. In time I hope to see developed in Canada what might well be called a national ministry of culture, which would bear responsibility for all these cultural activities.

I think that part of the dissatisfaction and trouble through which the national museum has gone, and is still going, has emanated from the fact it remains as a sort of leaf on the end of a branch on the end of a tree. In my view, it should be re-examined, strengthened and given a new foundation. It should have more scope to develop its own policies and resources. There is no use, Mr. Chairman, belabouring the present minister or the former minister of this department for the reported unhappy conditions in the national museum of Canada. Neither of them had the time or, I think, the energy to do all the other things they had to do and at the same time take up and solve the problems of the national museum to put it on a modern footing in 1963.

It is not my intention to belabour the unfortunate museum tonight any more than I can help. However, it will be fresh in the minds of many members that earlier this year, less than two months ago I believe, four prominent officials of the museum resigned. They were Dr. Russell, director of the natural history branch; Dr. McFeat, chief ethnologist; Dr. Larry Oschinsky, physical anthropologist, and Dr. MacNeish, chief archaeologist. When the government was asked why this happened they said, in effect, that it was too bad.

There was no connection between these resignations taking place at roughly the same time; it was sort of a coincidence. Perhaps these men had better jobs to which to go. This is hard to credit, particularly when I am told that over the last two years there have been no less than 30 resignations from the museum staff. I feel it is obvious there is a lack in the national museum of Canada in its present relationship to the northern affairs department. There should be scope for leadership. It is hindered by being kept tied to the apron strings of the department. It should be given new foundations, and its functions should be expanded and extended so that it can play a much more realistic part in our Canadian culture.

In conclusion I would ask that the minister and the government consider, first, taking the museum out of its present outmoded context as a corner in the department of northern affairs; second, that they make it a separate branch or entity, such as the national film board and, third, I would ask that they consider appointing a director general for the national museum system of Canada which we hope to see evolved in the future.

Item agreed to.

*40.* Grant in aid of the development of the international peace garden in Manitoba, $15,000.

**Mr. Winkler:** Mr. Chairman, I would like to make a few remarks here on the basis of what had been under consideration in the department, under the previous administration. It may be that what I have to say might have been taken up privately with the minister, but after listening to the hon. member for Renfrew South I think I too should have the opportunity of stating my case for the area in which I live. Some time ago I had the privilege of putting a case forward for the extension of the small park that exists north of the Bruce peninsula at Georgian bay. This is a natural area for the extension of a park site, and includes Flower Pot island off the northeastern tip of the peninsula.

I listened to the minister saying how valuable our national parks were, and how our people, and many thousands from the United States, spend their vacations on the highways rather than going to specific sites, as was the custom previously. He told how they spend so much time on the roads travelling from one point to another, and this was exactly why I made my presentation to the department some time ago, and convinced the minister of that day that consideration should be given to this development.

I have before me a proposal for a national park on Bruce peninsula in the province of Ontario. Ontario does not have much of this type of institution, and this I believe is because of the farsighted programs of the provincial authorities. These programs are to their credit, but I believe that the provision of a national park would be valuable in this particular area.

We sometimes speak of the natural things we lose as the result of commercialization of an area. We speak of the loss to the country

of certain types of growth, of certain aspects of natural beauty lost through commercialization. There are specific types of flora and fauna on the Bruce peninsula which will disappear in the not too distant future, if the investigation that was carried on with regard to a national park is not continued.

I also have a letter before me which I received earlier this year when I discussed the situation with one of the residents of that area. They are extremely enthused and interested in the project. I might add, Mr. Chairman, that this is not in my constituency, and therefore I feel I have the right to be very frank about my presentation. I have here an outline of all those things which would be of advantage to Canada, and in particular to the advantage of Canadians who visit that part of the country.

I agree with the minister when he says there is a trend on the part of vacationers to travel from site to site, using parks facilities and that sort of thing. Within about 90 or 100 miles of this area there are other provincial parks, and I believe this area would be an ideal link in the chain of great lakes parks. It would be valuable not only for highway travellers but for those who use the waters of the great lakes, and at present tremendous numbers of Americans enter Canadian waters at Georgian bay.

I think I can impose upon the good will and honesty of the minister to follow this up in the vein in which it was first thought of and presented. I hope he will allow me to discuss it on a personal basis with him in an effort to further this worthy project on the tip of the Bruce peninsula.

**Mr. Macquarrie:** Mr. Chairman, I was going to say a word on the general item, and pay numerous compliments to the minister, but that would be now out of order. I appreciate his comments about the use of the parks, and his rather gracious tribute to the prosperity which the country has enjoyed for the last six years, as indicated in the use of our national parks by the motor owning public.

Specifically I would like to direct his attention to the park in Prince Edward Island which, as his figures show, has the second highest attendance of all. I may say I have often quarrelled with the figures of his department, because they do a little process of cooking them with regard to a lot of people who go into the park several times a day. I know that when I entered Banff I was counted as a visitor, whereas I was going to British Columbia and should not have been called a visitor. Perhaps I will have to carry on the argument I had with the former minister, the hon. member for Brandon-Souris about the figures which the department uses—and I may add that the former minister was one of the best ministers in the government I supported. A certain part of Canada has been described as the land God had given to Cain, but I would like to quote Jacques Cartier, the first tourist to Prince Edward Island who in 1534 described it as:

> —the fairest land that might possibly be seen... full of beautiful trees and plains.

There is a fine national park in this area. It is very important to our economy, to our burgeoning and expanding tourist industry, and I would urge the minister most strongly to appoint a permanent superintendent for it. We have had two acting superintendents there since the departure of Mr. Kipping, who was one of the most outstanding men in the national parks field. To indicate the type of man Mr. Kipping was, he was a born Cape Bretoner, who became a Prince Edward Islander, and it is a man with judgment and experience like that whom we would like to have as superintendent of the park.

I mention this to the minister at this time, because next year is centennial year in Prince Edward Island, and I am sure the figures for attendance at the park will be greater than ever before. In my opinion it is of the utmost urgency that he do not revert to the earlier practice of having acting superintendents, but that he appoint a full time man to knuckle down to the important job of developing this park.

I would also like to say we are hopeful for a little more rapid development of the site at Fort Amherst, with which so much of our history is bound up, both of the French occupation and the English occupation. I would also commend to the minister a most careful study of the suggestions which have come from the provincial government regarding recreational areas in the provinces. A very pleasing thing about national parks attendance is that more of the native peoples are making use of these beautiful areas, and we also find this in Prince Edward Island. It is for these reasons I urge him to do these two things. I think the minister has, indeed, started out to be what one might call a good minister. I will make no comparisons with anyone else. I do wish him well and I hope he will earn a place of esteem and regard in his ministry comparable to that of the hon. member for Brandon-Souris.

**Mr. Douglas:** Before we leave the question of parks, I should like to ask the minister about the prospects of developing Garibaldi park. There has been tremendous interest in the lower mainland of British Columbia in the possibility of developing that park. As the minister knows, there is a lack of park facilities in that area of the province. This

park comprises one of the most beautiful locations in Canada. I know the minister is interested in this and I believe he has made statements publicly regarding his willingness to undertake such a project if he could reach an understanding with the government of British Columbia. I think it would be helpful to the committee to have something on record as to what the minister is prepared to do, what offer he has made, and what response he has received from the government of British Columbia.

**Mr. Laing:** I think I would be on happier ground talking about the Bruce peninsula park or about the Prince Edward Island park, which I have not seen, than I would be talking about the Garibaldi park. The so-called offer was, in fact, the renewal of an offer made by the Hon. Mr. Lesage when he was in charge of the department, and renewed, in 1958 I think, by my immediate predecessor, I think there is wide agreement that, of all the areas of Canada, both for summer and winter recreation, Garibaldi park is the outstanding place. I have talked with people who are very conversant with Europe and they say the Alps in no way compare with Garibaldi park. All I did was to renew the offer made by my predecessor suggesting that if the area were turned over by the province to the federal government, free of all encumbrances, as the National Parks Act requires, the federal government would develop it as a national park.

I am sure most hon. members would agree we do need development there. Instead of a great stream of tourists coming up from the south, pausing briefly at Vancouver and then going on to Banff and the other national parks, they would be retained for a time in British Columbia and would unquestionably spend more money there. We would also get back a great deal of money spent by our own people each winter in Washington on skiing.

I have hopes, though they may be growing fainter day by day, that the premier of our province will change his mind and decide to turn this great area over to the national government for development. I am certain it would be in the interests of our economy in British Columbia to do so. We are at the present time developing intermediate parks along the Pacific west of Jasper and Banff in order to hold some of the traffic which now is determined to get into the national parks, overcrowding them, requiring tenting facilities, and so on.

I should like to commend the hon. member for Grey-Bruce and the hon. member for Queens on the comments they have made. They have spoken of a common desire on the part of Canadians, a growing desire, I think, in the light of the fact that we are approaching the centenary of our confederation, that we should set aside amply and in good time those remaining great areas which may be required in the next 50 years as national parks. I am certain that in parts of Ontario today, when people look back, they are sorry a greater provision was not made for the spaces which today are required by our people and which are, also, a great magnet for visitors from abroad.

**Mr. Douglas:** When the offer was made to the province of British Columbia to develop Garibaldi park, was an estimate made as to what the cost would be and how much the federal government was prepared to spend on the development of that area?

**Mr. Laing:** The government's attitude has been that when an area is turned over free of encumbrances by the province, an inspection is made. The area is laid out then according to the best views of our planners, and anything that is required to make a job of it is done. In Fundy park, New Brunswick, which is a relatively small park, we expended something of the order of $8.5 million. The principal requirement in many of these places is roads, and where large areas of rock are encountered this can be an expensive item. Our total capital expenditure in all the parks is of the order of $200 million. I did ask the premier of the province if he would agree to letting our planning officials into the area to suggest what might be done with it. I have a letter from him agreeing to that proposal, with the condition that the resources by way of minerals and timber would be retained as the property of the provincial government and be subject to its exploitation. This, of course, is a condition which makes it impossible for us to establish the area as a national park.

**An hon. Member:** It is 10.30, Mr. Chairman.

**Mr. Laing:** I think there are not many more speakers who may wish to take part in this discussion. May I suggest that we continue for some time, in which case we would probably finish these estimates tonight?

**Mr. Churchill:** We are prepared to go on for another half hour.

**The Deputy Chairman:** Is that agreed?

**An hon. Member:** No, Mr. Chairman.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** Might we have from the acting leader of the house another of his concise outlines of business for tomorrow?

**Mr. MacNaught:** I will be as concise as possible. Tomorrow, we will continue with our consideration of the Income Tax Act, committee stage and third reading. Then we will take the resolution relating to the consumer credit committee; and if that is finished in time we shall take up the bills relating to the Northwest Territories. In the evening we will consider the estimates of the Department of Labour backed by those of the Department of Fisheries.

It being twenty five minutes before eleven o'clock the house adjourned, without question put.

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The following items were passed in committee of supply this day:

NORTHERN AFFAIRS AND NATIONAL RESOURCES

1. Departmental administration including federal share of the expenses of the secretariat for the resource ministers council, $1,018,600.

5. Northern co-ordination and research including an amount of $70,000 for grants for northern research and for northern scientific research expeditions, $241,100.

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 developments, $250,000.

15. Contributions to the provinces to assist in the development of roads leading to resources in accordance with agreements entered into by Canada and the provinces, $9,250,000.

National parks branch—

20. Branch administration, $308,900.

National parks and historic sites and monuments—

25. Administration, operation and maintenance, $8,875,700.

25a. Administration, operation and maintenance, $100,000.

30. Construction or acquisition of buildings, works, land and equipment, $14,295,000.

30a. Construction or acquisition of buildings, works, land and equipment—To extend the purposes of vote 30 of the main estimates, 1963-64 to authorize expenditures on works on other than federal property, $1.

35. Grant to Jack Miner migratory bird foundation, $5,000.

# HOUSE OF COMMONS

**Friday, November 8, 1963**

The house met at 11 a.m.

## EXTERNAL AFFAIRS

BERLIN—REPRESENTATIONS TO U.S. RESPECTING RECENT INCIDENTS

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 for External Affairs I would like to ask a question of the Prime Minister regarding the series of occurrences on the autobahn which, while the matter is peculiarly one for the big three allied powers, affects all NATO nations. I would ask the Prime Minister whether representations have been made to the United States against indulging in actions that are provocative and dangerous in their implications.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, without accepting the right hon. gentleman's description of United States policy in this matter, we are making inquiries, and I hope that as a result of these inquiries either the Secretary of State for External Affairs or I will be able to make a statement on Tuesday morning.

PAKISTAN—CANADIAN AID IN IMPROVEMENT OF DEFENCE FORCES

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the Prime Minister. Is the government of Canada giving any form of assistance to the government of Pakistan in connection with its program of reorganization, improvement and enlargement of its defence forces?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I wonder whether the hon. gentleman would repeat the question. I did not quite get it.

**Mr. Herridge:** Is the government of Canada giving any form of assistance to the government of Pakistan in connection with that government's program for the reorganization, improvement and enlargement of its defence forces?

**Mr. Pearson:** To my knowledge, Mr. Speaker, no, but I had better look into the matter.

SOUTH VIET NAM—RECOGNITION OF NEW GOVERNMENT

On the orders of the day:

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, my question is directed to the Prime Minister. In view of the statement made by the Secretary of State for External Affairs, could the right hon. gentleman tell us whether there has been a change in Canada's stand toward the recognition of the new regime in South Viet Nam?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** No, Mr. Speaker; that matter is under consideration.

NATO—U.S. ACTION RESPECTING ECONOMIC CREDITS TO RUSSIA

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Can the Prime Minister say whether representations have been made by the United States to Canada and to other NATO nations in favour of denying the sale by any of those nations of unstrategic materials on a credit basis to the U.S.S.R.?

**Right Hon. L. B. Pearson (Prime Minister):** I understand that reports have appeared in the press recently concerning discussions among NATO members on the subject of long term credit to the Soviet union and other communist countries in respect of the commodities which the right hon. gentleman has mentioned. As the house knows, it is the custom for members of NATO to hold periodic discussions relating to these and other matters of interest to the alliance. These discussions are, of course, of a confidential nature but I may say that no representations have been made to the Canadian government on this matter by the United States government or by any other government.

**Mr. Diefenbaker:** Would the Prime Minister not agree that if such representations were made—and there have been many reports that they have been made to NATO countries other than Canada—Canada should take the same attitude as the United Kingdom and continue to sell on credit regardless of the wishes of the United States?

**Mr. Pearson:** Since I have said no representations have been made, the right hon. gentleman's question is surely hypothetical.

*Inquiries of the Ministry*

**Mr. Diefenbaker:** It is not very hypothetical according to the New York *Times*.

## TRADE

WHEAT—USE OF GRAIN COMPANIES IN SALE TO RUSSIA

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In the matter of the recent agreement to sell wheat to the Soviet union, was the Canadian wheat board making use of grain companies as agents and, if they were, what part of this transaction was handled by grain companies acting as agents of the Canadian wheat board?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, the answer to the first part of that question is yes, the wheat board did make use, as usual, of its agents, and the Soviet union also made use of its agents in the transaction. It would not be in the public interest, nor would it be in conformity with public policy, to reveal the proportions or amounts done by individual agents.

**Mr. Douglas:** As a supplementary question, when the minister spoke of the Soviet union having agents, do I assume these were simply agents of the Soviet government, or was it using grain companies as agents on this continent?

**Mr. Sharp:** The Soviet union uses international grain trading firms, just as the wheat board does, the only difference being that it uses them for buying while we use them for selling.

**Mr. Douglas:** Did they use them in this instance?

**Mr. Sharp:** Yes, they did, Mr. Speaker.

POTATOES—STEPS TO PROVIDE EXPORT MARKETS

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** I have a question for the Minister of Trade and Commerce. I am sorry I did not give him notice but usually, it seems to me, the hon. gentleman has his music with him. Can the minister tell us how he is getting along in his exploration for new markets for potatoes which are very plentiful and very good in the maritimes just now?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Perhaps the hon. gentleman would not agree, but I think we are making satisfactory progress.

[Mr. Pearson.]

## PENSIONS

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—PROVINCIAL WILLINGNESS TO SHARE IN INCREASE

On the orders of the day:

**Hon. J. W. Monteith (Perth):** Mr. Speaker, may I ask a question of the Minister of National Health and Welfare. Has the minister or the government expressed their willingness to share an additional $10 per month on old age assistance, blind and disabled allowances, so that the provinces may come to the November 25 conference prepared to accept such a suggestion without having to go back to their respective governments for agreement?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, all aspects of this matter were discussed in September last at the ministerial meeting in Ottawa.

**Mr. Monteith:** All I am asking is whether the provincial governments are in a position to come here to accept this. Have they been told this is available?

**Miss LaMarsh:** Mr. Speaker, I cannot speak for provincial governments.

**Mr. Heward Grafftey (Brome-Missisquoi):** Mr. Speaker, as a supplementary question, has the government's announced policy of withdrawing from joint programs changed the hon. lady's position in this regard since the meeting last September, of which she made mention?

**Mr. Speaker:** The hon. member for Quebec West.

**Mr. Grafftey:** I repeat my question. Has the government's announced policy of withdrawing from joint programs changed the hon. lady's attitude in this regard since the meeting of last September which she mentioned?

**Miss LaMarsh:** No, Mr. Speaker.

[*Later:*]

**Mr. Joseph Slogan (Springfield):** I have a further supplementary question for the Prime Minister. Is it Liberal policy, as outlined in this pamphlet, that an increase in the old age assistance pension to $75 per month will be made available to single women and widows at age 60, and the blind and disabled? Is it government policy, inasmuch as it was promised in the last election?

**Right Hon. L. B. Pearson (Prime Minister):** Orders of the day are not the appropriate place to discuss matters of policy of this kind as you yourself, Mr. Speaker, pointed out the other day in laying down the rules that should govern questions.

**Mr. Diefenbaker:** Another retreat.

**Mr. Grafftey:** I rise on a point of order, sir.

**Some hon. Members:** Oh, oh.

**Mr. Grafftey:** I rise on a question of privilege, Mr. Speaker.

**Mr. Speaker:** Which is it, a point of order or a question of privilege?

**Mr. Grafftey:** I may state my privilege very succinctly and briefly. The Prime Minister says that orders of the day is not the time for us to ask these questions regarding federal-provincial relations. May I inform this house, as I reach my point of privilege, that before the month of June last year I asked a series of questions of the minister—

**Some hon. Members:** Order.

**Mr. Grafftey:** Mr. Speaker, if I could have silence I would state my question of privilege. Howling down by this arrogant government is something that cannot be condoned. Last June I asked at least two ministers pointed questions about federal-provincial relations. Subsequently I put on the order paper three motions for the production of papers asking for information. This was before June 26 last. We are now, Mr. Speaker, less than two weeks away from a federal-provincial conference, and I am still without that information.

Today we asked the ministry questions relating to federal-provincial affairs, but we were told orders of the day was not the time to ask those questions. My point of privilege is this. This is a new, subtle, Machiavellian type of closure.

**Some hon. Members:** Oh, oh.

**Mr. Grafftey:** Hon. members may laugh, but it so happens that at this stage in Canadian confederation, federal-provincial relations are exercising the imaginations of many people. This is a new, subtle type of closure, when opposition members cannot get information.

**Mr. Speaker:** Order. I have been as lenient as possible because, for obvious reasons, I was interested in hearing the question of privilege raised by the hon. member for Brome-Missisquoi. It might be useful to recall to all hon. members citation 178 in Beauchesne's fourth edition:

> Questions addressed to ministers should relate to the public affairs with which they are officially connected, to proceedings pending in parliament, or to any matter of administration for which the minister is responsible. Within these lines an explanation can be sought regarding the intentions of the government, but not an expression of opinion upon matters of policy.

I do not believe the hon. member has anything more to add. At least the latter part of his statement I thought was out of order.

*Inquiries of the Ministry*

## DEFENCE PRODUCTION

CARIBOU AIRCRAFT—INQUIRY AS TO RESTORATION OF CANCELLED U.S. ORDER

On the orders of the day:

**Mr. John R. Matheson (Leeds):** Mr. Speaker, in the absence of the Minister of Defence Production I have a question for the acting minister, of which I have given notice. Is it a fact that the United States congress has revised its decision and has now agreed to continue to participate in the Canadian Caribou II development program, as reported in last night's issues of the Ottawa *Citizen* and the Ottawa *Journal*?

**Hon. J. R. Nicholson (Acting Minister of Defence Production):** Mr. Speaker, I regret to have to advise that the report is incorrect. In the absence of the Minister of Defence Production, I am informed by his officers that to the best of their knowledge the whole matter of continuing participation in the development of the Caribou II aircraft is still under consideration by the appropriate committees of the United States House of Representatives and Senate. When a final decision has been taken, an announcement will be made by the minister.

## TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—REQUEST THAT REPORT BE MADE AVAILABLE TO PROVINCE

On the orders of the day:

**Mr. S. J. Enns (Portage-Neepawa):** Mr. Speaker, will the Minister of Transport reconsider his position on the question of the T.C.A. overhaul base in Winnipeg and make available to the Manitoba authorities the Dixon-Speas report so that the province can examine the arguments contained therein, which so far have been kept secret?

**Mr. Speaker:** I think this is a question for the order paper.

[*Later:*]

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I should like to ask a question of the Prime Minister in connection with the T.C.A. overhaul and maintenance base in Winnipeg. Has the Prime Minister suggested to the provincial government of Manitoba that a detailed and comprehensive submission should be made concerning the economic conditions surrounding that problem, and, if so, how can that be done by the provincial government without access to the Dixon-Speas report?

**Right Hon. L. B. Pearson (Prime Minister):** I have not made such a suggestion myself to the Manitoba government.

*Inquiries of the Ministry*

## FINANCE

AUTOMOBILE PARTS—REPORTED INCREASE IN U.S. TARIFFS

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. The president of the B. F. Goodrich Company, speaking in Windsor, has said that his firm has found that tariffs between the United States and Canada are about 100 per cent higher than they were before the recent auto parts announcement. I should like to ask the minister if this is correct, and whether he considers that some act of retaliation is being exercised by the government of the United States.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, so far as I know the laws of the United States on tariffs remain as they were. I cannot believe that the gentleman in question is quoted correctly, or that he was speaking about facts if he was, because the laws of the United States are acts of congress that cannot be changed overnight.

[*Later:*]

**Mr. Douglas:** May I put a supplementary question to the Minister of Trade and Commerce following the statement I made a moment ago. Would the minister look into the statement made by the president of the Goodrich company of Canada in the course of his speech at Windsor that rubber sealing strips were now facing a tariff of 17 per cent instead of 8½ per cent, and that farm tractor tires, which formerly had been admitted without paying any duty at all, were now faced with a tariff of 8½ per cent? I wonder if the minister would look into this to see whether the statements are factual and whether they reflect any retaliatory action by the United States.

**Mr. Sharp:** I will be happy to do so. I can assure the hon. member that in any case this would not represent retaliatory action. If it has happened, it has been pursuant to laws passed by the United States before the auto parts announcement was made.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. Georges Valade (St. Mary):** Mr. Speaker, my question is directed to the Prime Minister. The matter was brought to my attention yesterday by the newspaper which mentioned that the Postmaster General and 16 other members from Quebec went to make representations to the royal commission on biculturalism. During that visit one member asked the commissioners not to be a smokescreen. Was this visit intended to make sure that the royal commission would not be a smokescreen?

## INCOME TAX

QUEBEC—COMPLAINTS RESPECTING CLAIMS FOR CHARITABLE DONATIONS

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, my question is directed to the Minister of National Revenue. Has he received complaints from taxpayers whose income tax returns were altered without notice, especially with regard to charitable donations?

[*Text*]

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I think it is fair to say that the Department of National Revenue receives many letters expressing different views on this matter, but I want to make it clear that so far as charitable donations are concerned, amounts are not reduced arbitrarily. As I have said before in the house, an attempt is made in all cases to verify the correctness of the amounts claimed.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I wish to ask a supplementary question. Could the Minister of National Revenue have an investigation made at the Quebec office to find out if the policy he mentioned regarding the procedure to be followed has always been carried out?

[*Text*]

**Mr. Garland:** I am glad to say I am regularly in touch with most of the offices, particularly the Quebec office, and I am quite certain that that policy is carried out in Quebec. The same policy is carried out in the Quebec office as is carried out in the rest of Canada.

## HEALTH AND WELFARE

INQUIRY AS TO LEGISLATION RESPECTING HEALTH INSURANCE

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 the list of business which the Prime Minister gave us last Monday appears in the main to be a list of business for the next session of parliament, can he tell us whether that list, when it is completed, will include legislation respecting health insurance or medicare?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, as this question seems to me to

consider the next session of parliament, I do not think it can be considered urgent today.

**Mr. Knowles:** A supplementary question, Mr. Speaker. May I ask the Prime Minister whether this subject will be considered at the forthcoming federal-provincial conference?

**Mr. Pearson:** I think the agenda of the forthcoming conference has already been tabled, so my hon. friend will know what it is.

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, is the Prime Minister now in a position to say when the report of the royal commission on health services presided over by Mr. Justice Hall will be brought down?

**Right Hon. L. B. Pearson (Prime Minister):** I am not, Mr. Speaker. My last information was that it would be available some time between the end of November and the early part of December, but I will make further inquiries.

## HOUSING

C.M.H.C.—EXCLUSION FROM BOARD OF PUBLIC WORKS DEPUTY MINISTER

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 National Revenue. Could he explain why the deputy minister of public works does not sit on the executive of the Central Mortgage and Housing Corporation as did his predecessor, Mr. Young?

[*Text*]

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

**Hon. J. R. Garland (Minister of National Revenue):** I should like to answer it, Mr. Speaker.

**Some hon. Members:** It is not in order.

[*Translation*]

**Mr. Lessard (Lake St. John):** If the minister thinks he can answer my question, I feel the house would be interested to know why the deputy minister of public works, Mr. Lalonde, does not sit on the executive, as did his predecessor, Mr. Young, when he held the same post.

Is it because the new deputy minister of public works is a French Canadian that he is not allowed to sit on the executive?

[*Text*]

**Mr. Speaker:** Certainly that question is definitely out of order on several grounds, not the least of which is that matters of administration are surely the responsibility of the minister himself. While there is no particular objection to inquiring for this information, I suppose, certainly the last part of the question was completely out of order.

## DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO TERMINATION OF JOINT PLANS

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Since the Prime Minister was, very properly, away yesterday, I was unable to ask him the following question. I wish to address it to him today. Is it now the stand of the government of Canada that shared programs with the provinces shall end?

**Right Hon. L. B. Pearson (Prime Minister):** The policy of the government on this matter has already been announced, and I have nothing to add to what has previously been said.

**An hon. Member:** By whom?

**Mr. Diefenbaker:** Has the Prime Minister read the words of the President of the Privy Council in this connection; his speech in Toronto? I ask the right hon. gentleman again whether it is the purpose of this government to do away with shared programs.

**Mr. Pearson:** As I have stated, the policy of the government on this matter has been announced. It has been announced both by myself and by the President of the Privy Council, and I have nothing to add.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Do I take it the Prime Minister is now saying that the statement made in Toronto by the President of the Privy Council, to the effect that the government would be prepared to withdraw from joint federal-provincial programs and to compensate provincial governments willing to take over such programs on their own, is the official position of the government with regard to this question?

**Mr. Pearson:** That statement is not a new one; it has been made before on behalf of the government—that we would be prepared to consider, with the provinces, withdrawing from these programs in certain circumstances.

**Mr. Stanley Knowles (Winnipeg North Centre):** May I ask the Prime Minister a question. Will he consider, not today but at an early date, making a clear statement to the house indicating which of these shared programs the government is considering withdrawing from, so that the uncertainties that are now created can be cleared up?

**Mr. Pearson:** There is no uncertainty of which I am aware, but I shall be glad to take the hon. member's suggestion under consideration.

**Hon. Paul Martineau (Pontiac-Temiscamingue):** May I ask a supplementary question. Will the Prime Minister state whether the speech made by the President of the Privy Council represented government policy in regard to joint programs?

**Mr. Pearson:** I have already answered that question.

## AGRICULTURE

SPOKESMAN IN CABINET FOR EASTERN FARMERS

On the orders of the day:

[*Translation*]

**Mr. Marcel Lessard (Lake St. John):** Mr. Speaker, I should like to put a question to the Minister without Portfolio, the hon. member for Matapedia-Matane. Since the establishment of the joint department or of the double office of ministers of agriculture is postponed indefinitely, could the minister assure the house and eastern farmers that he will speak forcibly on their behalf to the cabinet and push the demands of eastern farmers in particular.

**Hon. Rene Tremblay (Minister without Portfolio):** Mr. Speaker, like all other Liberal members in the house, I shall always champion the eastern farmers.

[*Text*]

## INCOME TAX ACT

The house resumed, from Thursday, November 7, consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr Gordon—Mr. Lamoureux in the chair.

On clause 16—*Exemption of income from manufacturing or processing business in designated areas.*

**Mr. Hales:** When we were last discussing the amendment to this clause, the Minister of Finance was going to give the committee his views on this section relating to the 95 per cent provision covering the cost of machinery, and we were discussing whether new and old machinery would be eligible. Has the minister any further remarks to make?

**Mr. Gordon:** I think we pretty well exhausted the subject, Mr. Speaker.

**Mr. Baldwin:** Mr. Chairman, would you read the amendment?

**The Chairman:** Yes.

That clause 16, section 71A, subclause (3) be amended by substituting 25 per cent in place of 95 per cent in line 17 and by substituting 25 per cent in place of 95 per cent in line 45.

[Mr. Knowles.]

All those in favour of the amendment will please rise.

Amendment (Mr. Skoreyko) negatived: Yeas, 39; nays, 83.

**Mr. Grafftey:** Before this clause carries, would the Minister of Finance, the Minister of Industry or the Minister of Labour tell us what the government's future intentions are relating to consultations with municipalities before they are designated under this provision? I think by now hon. members opposite realize that we consider this principle of consultation extremely important. Is it the government's intention in the future to consult local officials before designating areas?

**Mr. Gordon:** Mr. Chairman, the Minister of Industry has already stated that when we have had some experience with this legislation he will be considering ways and means of improving it. Apart from that I do not think I can go further at this moment, except to point out to the hon. member that if any consultations of that kind were to be conducted, the proper thing would be to talk to the provinces rather than the municipalities.

**Mr. Hales:** On this subject, would the minister give us an assurance that he will reconsider the designation of Brantford before the 12 months expire?

**Mr. Gordon:** I would be very pleased to give the hon. member an assurance that all the areas, and the formula, will be considered once we have had a little experience with it.

**Mr. Lambert:** I have one question for clarification of what the minister indicated the day before yesterday, that the areas are designated on the basis of reporting districts of the national employment service. It has been the practice of the national employment service to extend the number of its offices, and this will create new reporting districts. I am thinking of the case put forward by the hon. member for Renfrew South, when he indicated that in one reporting district there was great disparity of conditions but by reason of an average the district qualified as a designated area. In other words, within a reporting district there could be an area that would not qualify, an area that was pretty well off. What happens under that circumstance? Does that district lose its qualification, or what happens to any projects started in it?

**Mr. Gordon:** Quite clearly anybody who started an operation to take advantage of these inducements should not be penalized. Apart from that I really have not anything to add to what I have said already. If any of these national employment districts should

be changed, then there will be a problem that will have to be dealt with, but I have not heard any suggestion that any of these particular areas are going to be affected in that way.

**Mr. Hales:** I wonder if the minister would enlarge on the wording in line 35 on page 13, "new manufacturing or processing business." What does he mean by this? Does a new manufacturing company have to be manufacturing a new product?

**Mr. Gordon:** The definition is the same that was used under the old section 40A, which was introduced by my friend the hon. member for Digby-Annapolis-Kings a year ago.

Clause agreed to.

Clauses 17 and 18 agreed to.

On clause 19.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** Mr. Chairman, I suggest that this clause be reconsidered, because here again the government is doing something that is definitely not very advisable. In this connection I would like to quote from *Hansard* of November 9, 1962 dealing with the question of special provisions for pipe line companies to deduct exploration costs as business expenses. The question which comes to my mind is, why would a pipe line company embark on the process of drilling and exploration unless it were going to embark on oil and gas production?

On November 9, 1962 the hon. member for Kingston, who since that time has been elevated another step in the hierarchy, had some very pointed things to say about special provisions being given to oil and gas companies. I remember thinking at the time it was an excellent speech, in fact I marked it very carefully in *Hansard*, and I am glad the matter has come up again. Quoting from page 1464 of *Hansard* for November 9, 1962 the hon. member for Kingston had this to say:

> That is fine. Resolutions 6 to 10 primarily affect the oil and gas industry in Canada. It was estimated by the previous minister when they were introduced that they will cost the treasury some $15 million in a full year. The oil and gas industry as such will contribute very little to the income tax revenue of the federal government even though its gross revenue exceeds $500 million. I can think of no other industry in Canada in this favourable position.
>
> It has been claimed that this industry needs further encouragement to find reserves. According to figures produced by the Canadian petroleum association, at the end of 1961 reserves on hand in Canada amounted to 18.9 years supply. If we compare our situation with the United States we will find that the United States had on hand at the same date some 12 years supply, and over the past 100 years the United States working inventory has ranged between 10 and 15 years—
>
> What we need is more and faster growing markets for petroleum products. If we had these we would not need tax concessions to stimulate the search for oil. It is noteworthy in this regard that we import far more oil than we export, in spite of our unused capacity, and this is a factor contributing to our exchange problems. Incidentally, although we have had a national oil program, according to bureau of statistics figures capital investment in oil producing was $561 million in 1961 compared with $697 million in 1957.

I suggest that the situation is no way changed from the time when the hon. member for Kingston made that very eloquent and telling speech, and I would urge the Minister of Finance, in view of his situation with regard to our national housekeeping, that he should cast a very dubious eye over this measure that he introduced some months ago, and determine whether this is justified in the light of Canada's present economic situation and in the light of his own views with regard to budgetary deficits. I should hope this particular provision would be reconsidered by the government in the light of the figures presented by the hon. member for Kingston, and in the light of the figures I myself presented during that same session, in 1962.

**Mr. Benson:** I thank the hon. member for Nanaimo-Cowichan-The Islands for complimenting me on my speech of last year, and I can assure him that my views generally toward these sections of the act have not changed. However, it was not deemed advisable to withdraw the sections in this particular budget, which was a decision of the government. In dealing with this particular clause, however, which is designed to extend the privileges which exist under the substance of the act to the pipe line companies, I am in complete agreement with it as such.

The majority of the independent pipe line companies in Canada are Canadian owned. As I recall it, three out of five are Canadian owned, and their position has been that they are not allowed the advantage of going out and developing their own raw materials to send through their own pipe lines. As these companies are to a large extent Canadian owned I would like to see them continue to exist, and they should have the same right as integrated companies to write off their exploration and development expenses. Integrated oil and pipe line companies can now write off their development expenses. The cost of going out and expanding their fields can be written off against the operations of their pipe lines, whereas an independent pipe line company cannot do this. In a similar sense you can take the large steel companies in Canada which have the

privilege of going out west and writing off expenditures in this regard as against steel profits in eastern Canada.

The purpose of the section is to extend fair play to independent pipe line companies.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I find the hon. member's argument singularly unpersuasive. What he is telling us is that we are allowing some people unjustifiably to get into the public treasury and we should allow others to exercise their sticky fingers in the same way. Any pipe line company that embarks on a program of development and exploration becomes an integrated company. It has an integrated operation. At any rate, I suggest that last year the hon. member for Kingston considered these allowances to be scandalously unjustified; and to give them to other companies just because some companies have these allowances, which he considers scandalously unjustified, does not seem to me a suitable argument for extending the scandal a little farther even under the guise of these other companies being true blue Canadian companies.

I do not think it really matters very much to the Canadian consumer whether he is robbed by a Canadian or robbed by a foreigner. On the other hand, I do suggest this is something that indicates the necessity for a complete overhaul of this section of our fiscal set-up, and I would be much better pleased to see the minister come forward with a completely revamped structure in this regard rather than, as I say, compounding the mistake that has already been made in regard to existing companies.

**Mr. Benson:** If I may, I should like to make my position clear. Last year I was against all these allowances and the sections in the act dealing with them. Quite honestly I still have grave doubts with regard to their validity from a taxation point of view. Let me first state that. However, since it has been the decision of the government to allow these sections to stand, I think there is a strong argument that the same benefits should be extended to the independent pipe line companies as are extended to the large integrated companies at the present time.

**Mr. Herridge:** Mr. Chairman, I have been interested in this hybrid section of the Income Tax Act for a good many years. I want to support what the hon. member for Nanaimo-Cowichan-The Islands has said. I cannot continue without complimenting him on his elephantine memory, which is very useful on occasions.



We object to this type of legislation regardless of the explanation, and one could see that the parliamentary secretary was most uncomfortable in having to make a retreat on account of expediency. We object in principle to this type of legislation which permits these corporations to deduct from their taxable income the cost of mining operations and in other cases the cost of well drilling and pipe lines. As a matter of fact, on account of this legislation being in the Income Tax Act the Canadian people have financed United States subsidiaries in Canada to the tune of hundreds of millions of dollars. Then we are told we have not got the capital in Canada.

I want to take the opportunity to mention again something I have mentioned in previous years, because it is obvious that the government is going to continue this same practice on this occasion. We have been told repeatedly that this type of clause in the Income Tax Act was intended to promote investment and increase production in Canada. That is what we were told some years ago when it was first introduced into the Income Tax Act.

I want to ask the minister this question. On the basis of that argument, and if the principle is going to be continued, has any further consideration been given to extending the same advantages to farmers who increase production as a result of clearing, draining or irrigating land? All these activities increase production. The farmer, who is a small person compared to these companies, gets no advantage at the present time although he does exactly the same thing that these large companies which are taking advantage of the act are doing.

I also want to bring to the attention of the minister a paragraph in the annual report of the Department of Forestry for 1961-62. Under the heading "Study of the Effects of Income Tax on Private Timber Management" it reads as follows:

> This study was begun in co-operation with officials of the taxation divisions of the Departments of Finance and National Revenue in response to representations that have been made to the government. Its purpose is to examine the merits of recommended tax changes that would modify the taxing of income that is solely attributable to timber growth. The study should reveal conditions under which the growing of timber by private enterprise will be encouraged.

I want to ask the minister two questions before I sit down. First, has consideration been given to extending to the farmers of the country who increase production by any method the same privileges that are extended to these large corporations? Second, what has been the result of the study referred to in this report, and is the department giving consideration to extending the same privileges

to tree farmers who are farming on management principles over a long term and who are increasing production while at the same time, because of their practices, maintaining a perpetual yield and conserving our forest resource capital in so far as that comes within their jurisdiction? Is the minister giving any consideration to amending the act in the future to allow these people to enjoy the same privileges as large corporations?

**Mr. Gordon:** Mr. Chairman, I am very interested in the points that the hon. member for Kootenay West has just raised. Like him, I happen to be a tree farmer, although I suspect I am a very much smaller tree farmer than the hon. member. However, I know enough about it to be sympathetic. I think the matter should be investigated, and I will see that it is done. I am not familiar with the report the hon. member mentioned, but I will look it up and see that the matter is looked into.

As to the main point that the hon. member for Nanaimo-Cowichan-The Islands has mentioned, I not only compliment him on his elephantine memory but also on his pungent phraseology, some of which I do not always agree with. It seemed to me that his point was whether it is necessary any longer, if it was necessary originally, to grant fairly substantial concessions to a particular industry.

I must say that personally I think he has raised a very important point. It is something that the Department of Finance started to consider before the budget and then we decided that in view of the magnitude of the problem perhaps we should wait until we had heard from the royal commission on taxation, who I am sure are looking into the matter. It seemed to us that in the meantime these particular companies which are essentially in the same industry should not be penalized, and that is the purpose of clause 19. I agree with the hon. member that the broader issue should be investigated and looked at very seriously.

**Mr. Douglas:** Mr. Chairman, I am wondering where the hon. member for Kingston gets his information when he speaks of these pipe line companies as being mainly Canadian companies. If he has some information I would certainly be glad if he would give it to the committee.

**Mr. Benson:** I am speaking offhand, but I will be glad to check into the statistics with regard to the matter. As I recall the situation there are five of these companies, three of which are Canadian controlled. I do not have the information with me, but I will be glad to check. As I said, three of the five are Canadian controlled companies. With regard to the fourth there is some doubt whether control is in Canada or the United States. As to the fifth, the majority of the stock is held in the United States.

**Mr. Douglas:** If one takes the total capital assets of all companies I do not think there is any doubt about the fact that the preponderant ownership of the pipe line companies in Canada is located in the United States.

**Mr. Gordon:** I think the hon. member may be mistaken about that. The largest one, of course, is Trans-Canada which, according to my recollection, is 80 per cent controlled in Canada.

**Mr. Douglas:** Does this mean that the Texas buccaneers have unloaded themselves of their ownership and control?

**Mr. Gordon:** It means that control has changed.

**Mr. Douglas:** Mr. Chairman, I think we would appreciate having some information on this matter, and maybe the Minister of Finance or his parliamentary secretary would supply it. I know something about the pipe line companies in the west, and I know that a good many of them are mainly owned in the United States. If the minister says he has some information I will be glad to sit down so he can put it on the record. I thought the minister was going to give it.

**Mr. Gordon:** I have not got it here.

**Mr. Douglas:** If the minister is not going to give it now I want to say that I think the whole question ought to be thoroughly investigated. I am not sure that the government is justified in saying that the matter is going to be discussed by the royal commission on taxation, and therefore the government should not do anything. If the principle is wrong we should be restricting it instead of extending it. The only justification for allowing companies to carry on drilling and exploration programs at public expense, which is what this legislation means, would be if we were faced with a possible shortage of gas and oil supplies. This is certainly not the case. What we have done in this country over the years is to finance, out of the public treasury, drilling and exploration programs that have resulted in fantastic profits for oil and pipe line companies, a goodly number of which are owned in the United States.

Instead of the government extending this I think it should be eliminated. We will certainly be watching with keen interest what the Minister of Finance does when he brings down his budget, and I certainly urge him

not to wait till the royal commission brings down its report. I suggest that for his midnight reading, instead of perusing the Diefenbaker years he should read the speech of the hon. member for Kingston, and having read and digested it I hope he puts the fine conclusions to which the hon. member came into legislation when he brings down his budget.

Clause agreed to.

Clauses 20 and 21 agreed to.

On clause 22—*Tax.*

**Mr. Brewin:** I have an amendment to propose to clause 22 to which I invite the attention of the committee. I shall move the same amendment to clauses 23 and 28 when they are reached.

Clause 22 imposes a special tax of 5 per cent on certain dividends and corporations which do not have "a degree of Canadian ownership and control". I invite the committee to notice the words "and control". I might mention for the sake of completeness that clause 23 uses the same phrase. It alters the rate of the withholding tax so as to impose a tax of 10 per cent after the date fixed in the clause dealing with dividend payments by corporations with "a degree of Canadian ownership and control"; it imposes a 20 per cent withholding tax on corporations which do not so qualify.

Clause 28 defines what is to be deemed, for the purposes of the act—that is covered by clauses 22 and 23—a corporation which has a degree of Canadian ownership and control. By clause 28 a corporation is deemed to have a degree of Canadian ownership and control if two alternative conditions and another condition exist; that is to say, if 25 per cent of the voting shares are owned in Canada; second, if shares are listed on a Canadian exchange and no one foreign shareholder owns more than 75 per cent of the stock; and third, there is another condition that not less than 25 per cent of the directors are resident in Canada.

My proposed amendment will strike out of the phrase "a degree of Canadian ownership and control" wherever it appears the words "and control". The effect of the amendment would not be to change the substantive tax; the tax will remain precisely the same. The purpose of the amendment is to remove from the act what might be called a false and misleading label or description.

It is not necessary for me to discuss the merits of the proposed change. At the resolution stage we expressed our reasons for feeling that the proposed change did not achieve the stated purpose of encouraging Canadian control of industry, but in fact discouraged it. We in this party are all in favour of effective legislation to encourage Canadian control of Canadian industry, but in my submission the label put on these corporations, which would benefit from the proposed incentives, of "a degree of Canadian ownership and control" is false and misleading. The words "and control" are meaningless. Under this definition a corporation can qualify for the incentives which could not, by any fair stretch of the language, be said to have a single trace of Canadian control. For example, a 25 per cent interest may in certain cases give a measure of control, but in the case of a wholly owned United States subsidiary, which is the most typical case with which we are dealing here, there would be no element of control whatsoever.

The same reasoning applies even more clearly to that part of the clause which states that all that is required to qualify is that shares should be listed on an exchange, and that no one foreign shareholder should own more than 75 per cent of the stock. Nor does the provision that one out of four directors should be resident in Canada give any measure or degree of Canadian control. It would be perfectly easy to have what is known as a dummy director, who to all intents and purposes would actually be 100 per cent subservient to the foreign shareholders. If I as a lawyer, or any other learned hon. member, were asked to give advice as to whether in the case of a corporation with 25 per cent of the shares owned in Canada and with one dummy director resident in Canada it could be said that there was any degree of control over that company, I would be negligent if I said yes. I would be fired from my job if were to be so misleading as to suggest that that state of affairs constituted any degree of control. There is no such thing as a degree of control; there is either control or no control. This state of affairs represents no control whatever.

My objection to the wording of the clause is not a frivolous or pedantic one. People are prosecuted who attach false labels to goods and then seek to sell them to the public, and they are rightly prosecuted. We condemn, and properly so, false advertising. Yet the government of Canada can sell this legislation to the public on the pretext that it is giving incentives and encouraging Canadian control over Canadian industry. This claim is not true. In my view parliament should set an example of honesty. According to the legal authorities it is true that parliament can declare black to be white and white to be black. I believe it was the famous Sir Edward Coke who said that.

But notwithstanding our right to declare white to be black and black to be white,

we must not be misleading. It is my view that it is misleading to define a corporation, for purposes of tax incentives, as having a degree of Canadian ownership and control when there may well be not one iota or scintilla of Canadian control involved. Therefore I move:

That clause 22 of the bill be amended by striking out from subsection (1) (a) and (1) (b) thereof the words "and control".

If this amendment meets with the approval of the committee I will move a similar amendment in respect of clause 23, where the words appear, and clause 28 when the same phrase appears.

**Mr. Lambert:** I think this may well come as a surprise to the minister, but so far as clause 22 is concerned, which is section 105B (a), there is a complete divergence of expression. What is said in the French version is not what is said in the English version. The English version says:

—did not have a degree of Canadian ownership and control.

The French version says:

*—n'était dans aucune mesure possédée ou contrôlée.*

When we turn to clause 28, which is the definition clause, the meaning is the same in French as in English. Therefore there will have to be a necessary amendment to the French version to bring it in line with the thinking expressed by the act.

Having said that with respect to the drafting, I must say that I would go even further than the hon. member for Greenwood and repeat the remarks I made on the resolution stage and on second reading, that so far as the Canadianization or the patriation of capital is concerned, this provision means precisely nothing. It is already simple to have foreigners or non-Canadian citizens resident in Canada hold office for a period as managers or as local officials of companies. I refer particularly to smaller companies, not the larger ones; the privately held and controlled companies. I do not know many subsidiary companies in Canada which are public companies; they are primarily wholly owned or closely controlled subsidiaries of foreign corporations. To say that you are going to have a greater degree of control because you have Canadian residents or residents of Canada as directors is frankly nonsense. If you are going to have Canadian ownership and control, then these people must be Canadian citizens.

I realize the minister may say that this is introducing into the act a concept of nationality or citizenship which does not exist in other parts of the Income Tax Act. There is nothing else in the act which offers incentives to companies which have a Canadian nature, and the Canadian nature comes about by reason of this so-called ownership or control. The minister is himself introducing an exception into the act in this regard by providing for these incentives.

If he is trying to patriate foreign capital, let him go all the way. He is offering an incentive to capital. All right; let us make it Canadian. I cannot see the logic of the argument that because this provision does not exist elsewhere in the act it must not be introduced now; that we must not allow the principle of citizenship but, rather, that we must look merely to residence. I find the whole provision in this connection to be meaningless.

With regard to the amendment put forward by the hon. member for Greenwood, I think there may be some justification for it, though the words "and control" seem to be a reference to the directors rather than to the so-called ownership. It comes down to this. The hon. member is asking us to delete or subtract something from nothing.

**Mr. Gordon:** I was impressed by what the hon. member for Greenwood had to say, though I do not think it makes any great difference one way or the other. I do not think there is any real substance in the point. I could argue, I suppose, that the present drafting has certain advantages, and it has, but I do not think it really matters. I wonder whether the hon. member would be willing to withdraw his proposed amendment and allow us to pass a separate amendment which I would ask my hon. friend the Minister of National Revenue to move in the following terms:

That Bill C-95, an act to amend the Income Tax Act, be amended by striking out the expression "ownership and control" wherever it appears therein and substituting therefor the expression "ownership".

Thus we would be able to do it all at one time.

**Mr. Brewin:** Sounds all right to me.

**The Chairman:** Is it agreed that the hon. member may withdraw his amendment?

**Mr. Brewin:** On the understanding that the minister will introduce an amendment which covers the same ground and goes one better.

**Mr. Garland:** I move the amendment which was read by my colleague.

**Mr. Knowles:** I do not wish to be pedantic, but surely amendments have to be in terms more precise than this. Should we not be told in what clauses and in what lines this change takes place?

**Mr. Gordon:** Not according to the Department of Justice, which prepared that amendment.

**Mr. Lambert:** Under which clause of the bill will this amendment appear?

**The Chairman:** May I suggest that the amendment be made in connection with a specific clause. Perhaps it might be made to refer to clause 22 in this particular instance.

**Mr. Gordon:** I wonder if the committee would allow this amendment to stand until we have had a chance to consult the lawyers.

**Mr. Brewin:** I may have acted too quickly in withdrawing my amendment. It may be that my drafting is superior.

**Mr. Gordon:** We can always give the hon. member for Greenwood the opportunity to come back.

**Mr. Brewin:** I am glad the minister has accepted the principle. No doubt he can work it out.

**Mr. Knowles:** The Department of Justice notwithstanding, I think your ruling is a proper one, Mr. Chairman. We should make amendments to specific clauses of the bill. We cannot, in committee, amend the bill. We amend clauses. What is the Department of Justice thinking about?

**The Chairman:** We are on clause 22, and I submit this is the only matter we can amend at this time.

**Mr. Nowlan:** It seems that the amendment, like Lucifer, is suspended between heaven and hell. I do not know what will happen to it finally, but I am wondering whether the minister has any general statement to make on this clause. It is a clause which is far reaching in its implications, and it is one which introduces an entirely new principle. I think it is just as important as any of the clauses upon which we have spent a certain amount of time in the past few days, and I would hope the minister has a statement to make with regard to it before we begin dealing with it ourselves, in our discussion in committee and possibly by moving amendments later. Does the minister wish to comment or make a statement?

**Mr. Gordon:** I have made several statements on this subject. If the hon. member for Digby-Annapolis-Kings has anything to say about it I am sure we would be happy to hear from him, but I am not sure whether this other matter ought not to be disposed of first.

**Mr. Nowlan:** I think we would wish to take a look at the proposed amendment. I assume the minister is not urging that there should be a division on this at once. I should like to look at it and see what effect the proposal might have. There is no point in having a vote on it right now, particularly in view of the ruling of the Chair that it must be applicable to a certain specific clause. I think we should study the application of the proposed amendment to the various clauses, and when we have done so we shall be in a better position to reach an opinion with regard to it.

I do not intend to speak at any length on this part of the bill. As the minister has just indicated, we have discussed the matter at some length on other occasions. I spoke on it, as did other hon. members, during the resolution stage. We spoke on it again on second reading and now we are in committee. I do not propose to reiterate arguments which have already been advanced, or to weary the committee by repetition.

However, speaking for members on this side, for the official opposition at least, let me say I feel this clause introduces a new principle into the taxation law, a principle which in my view is of very dubious merit and which may do tremendous damage to the Canadian economy. We cannot allow the clause to pass in silence, contenting ourselves with the reflection that since we spoke about it before we need not say anything about it now.

I think no one would quarrel with the minister's motivation, his desire to have a greater degree of ownership by Canadians in corporations in Canada. We should all like to see a greater degree of Canadian ownership of our corporate structure. We in Canada, of course, are in a different position from the United States where corporations were established many, many years ago before the incidence of income tax and succession duties, when there was a tremendous pool of capital in Britain to be used for the development of the United States through the purchase of bonds and fixed income securities. The holders clipped the coupons and paid no income tax on the dividends. Finally United States corporations paid up the bonds and secured ownership of the equities.

That could not be done today because of the incidence of taxation. Investors generally are looking forward to capital appreciation; they are interested in equity holdings rather than the collection of dividends. The result is ownership rather than the holding of money, and this is the way in which our corporate structure in Canada differs from that of the United States.

I accept the theory that it is desirable to have ownership in Canada. On the other hand, I do not necessarily accept the argument that ownership by outside interests of Canadian

corporations or of corporations in Canada means there can be any great degree of political control of Canada or of Canadian institutions. I do not think this has been proven, and I doubt if it can be proven. There is, of course, a tremendous degree of foreign ownership. The minister has given us the figures of foreign ownership, mainly United States ownership, of our corporate structure. I am sure all of us who have had some experience with government know that from time to time problems arise in this connection. There are, perhaps, statutes in other countries which do tend to have an impact upon corporations outside the nation, but I have never seen them amount to any degree of interference with the Canadian political organization or with the government of Canada per se.

I do not believe it has existed. I do not believe it will exist, and I do not accept the argument that because a certain percentage of our corporate structure is owned by another country there is great danger of losing political control over our own institutions. I do not think we face this menace which is sometimes conjured up in week end magazines and newspaper headlines.

I noticed last week in *Newsweek* magazine —I do not suggest that this periodical has biblical authority, but it is sometimes quoted as being worthy of attention—an article referring to the degree of independence now being exercised by various countries which we used to call satellites of Russia—Rumania, Poland, and the rest—despite not only economic control but political control. The article, whether it is right or wrong suggested there was a fairly high degree of independence being exercised by those countries. If that is true, then it is rather fallacious to suggest we are going to lose control of this country because there are corporations in New York or Detroit which have ownership of our corporations.

Canada certainly would be a far different country if we did not have this United States control. We may not like it; we may not like to have the effects of it, but I wonder how much employment there would be in Canada today if we did not have this degree of United States ownership and control. I know in my own constituency, which is a rural constituency, there have been three corporations come in within the last 18 months. They are wholly owned subsidiaries of United States corporations employing several hundred people. Certainly they have integrated into the local economy, into the society of the community, and are becoming remarkably good citizens. The same situation applies all over Canada.



As I have said, we can have some sympathy for the minister in his desire, a laudable desire. If we were rewriting the history of the world or reconstituting this nation, things might be done differently. I do not believe this provision is as essential as the minister urges. However, that is not my worry. If it is not as essential, and I suggest it is not, then I can see where very real difficulties might arise from the implementation of these measures which are put forward in this legislation. Great difficulties might be created for this country in the future.

As I said, what is the future going to be in respect of Canadian subsidiaries in the United States? After I sit down I should like the minister to discuss with us the situation in relation to the United States-Canada tax convention. We have conventions, of course, as hon. members know with various countries such as the Netherlands, the United Kingdom and Germany. I could run through a long list of them. As I recall it, and I am subject to correction, there is only one of these conventions under which a provision can be abrogated immediately, and that is the Canada-United States convention. This convention provides that if one country takes action to increase the tax beyond the 15 per cent, then automatically that section has been abrogated. In every other case, the United Kingdom, Belgium, and so on, as I recall it you would have to give notice before the first day of June in one year and the notice of abrogation would become effective on December 31 of the next succeeding year. In this case, once we pass this bill which the minister has before us providing for an increase in the withholding tax from 15 per cent to 20 per cent, the Canada-United States convention is abrogated.

It may be argued, and no doubt this is the hope of the minister, that since this provision does not become effective until next year it will not be construed as an abrogation, that there will be lots of time to renegotiate the treaty; after all, this is only November and we have December, January and a few more months in which things can be done; that we can renegotiate the treaty in the meantime. I am sure the minister has had discussions on this matter with the authorities in Washington, and perhaps has received assurance as to what they hope can be done. Nevertheless I am suggesting that once His Excellency gives approval to this bill, then technically we have abrogated the convention. Although the measure does not become effective until next year, our friends in the United States could consider the passage of the measure

now an abrogation of the convention. In any event, it is said, we have from now until 1964.

How long does it take to renegotiate a convention? I can tell the minister, I am sure the minister has been told, and if he has not his colleague the Minister of National Revenue could remind him very forcibly of what happened in the department not too long ago when this parliament changed from a succession to an estates tax act. This was merely a technical change. There were some changes in the rates, but there were no provisions in the bill applying to any one country. There was no resentment created. This was a simple matter for the Canadian parliament to decide, yet what happened? Immediately after the act was passed and the usual claims were going back and forth relating to the taxation of estates on the United States side, the United States said the treaty was broken. We had a succession duty act and now we have an estates tax act. It does not apply; we have to renegotiate the treaty. It was very simple; there were no problems. However, in spite of this, as I recall it took over two years to renegotiate this simple treaty. There was not so much time spent in the negotiation of it, because all that can be done by officials in a few hours, and it was.

We must not forget, however, that any treaty has to be enacted by the Senate of the United States. The Senate is a sovereign parliamentary body such as this. It does not intend to be pushed into the passage of an enactment, with the heavy calendar that it has. I am wondering just how long it is going to be or what the minister proposes in relation to the renegotiation of the treaty. If I understand the law in this regard—I may be wrong but I do not think I am—once this treaty is abrogated we are going to have a 30 per cent withholding tax. This is the United States taxation law, once a tax convention is abrogated. We have a good many Canadian corporations in the United States, perhaps not as many as we would like but I think Canadians are apt to overlook this. There are a number of Canadian corporations doing business in the United States. I have not had time to prepare a study of this, but if one reads the returns of the Department of National Revenue under tax schedule 1, or reads the report of the Bank of Canada, one will be pleasantly surprised to find the degree of ownership by Canadians of corporations in the United States.

I suggest, and I think the Minister of Industry and the Minister of Trade and Commerce would not quarrel with the argument, that this is one way we can develop our trade, by having subsidiaries in other countries and particularly in the United States. They are doing this. We can think of the Moore Corporation and probably a dozen others. If these corporations are going to be subject to a 30 per cent withholding tax, what is going to be the result? Obviously there is going to be a change, and a field day for corporation lawyers. I should like to exchange the seat I have now for a partnership in some firm in Toronto. Obviously the corporate structure will have to be reorganized in these Canadian corporations; at least this is a possibility, and I think more than a possibility. They will become holding companies, and the Canadian parent will become the subsidiary. The whole corporate structure of these companies will be changed very drastically. We may well end up with United States corporations paying taxes to the United States government, and we will have branches of what were once Canadian parent corporations.

This is one problem that could arise out of this bill. The minister may be able to clarify the situation this afternoon as we proceed with the discussion. As I have said, in my opinion this is one of the most important legislative measures to come before parliament, with all due respect to the very important matters we have discussed during the week. I believe that every section of an income tax bill or any taxation bill is important to individuals, sometimes to scores and sometimes to thousands. This, I think, is important to the nation as a whole, and is something to which we in this parliament should give very careful consideration.

The minister has said it is the intention of the government to pass this measure. I am not proposing to move any technical amendments to it at the moment. The purpose of the measure is to obtain a greater degree of ownership of corporations here in this country. Suppose you have United States subsidiaries here, and there are hundreds of them; and suppose that, rightly or wrongly, they believe this law may be changed some day, that it is unworkable. If they are paying dividends they could stop the payment of dividends for the time being, and what would have been paid in dividends to people in the United States, on which the corporation would have to pay this 20 per cent, would be transferred to capital reserve, and that money would be used for expansion in Canada. So there would be a greater concentration of American ownership in Canada because we were penalizing them for sending the money out, and they would use the money for expanding here in Canada. The last state would be worse than the first. What the minister is trying to avoid could easily become the reverse because of the situation I have mentioned.

I said I did not intend to speak at length on this matter, but I have developed a little further some of the general arguments I advanced previously. We feel very strongly that this is a matter to which parliament should give a great deal of attention. Giving the minister full credit for his laudable desire to develop a national spirit, and so on, we feel this is the wrong way, and that we are starting off in a tax situation where we are penalizing one class as against another.

We have discrimination for the first time, and the minister has replied that this has happened before. I am not going into a corporate debate on it; but after the minister said that, I had representations made to me that if in fact discrimination may have taken place previously it was done by corporation statutes rather than through taxation statutes. I am doubtful if there is any other tax statute in the western world, certainly not in the British commonwealth, where you get discrimination between two classes of taxpayers, as is proposed to be set up through this bill. I think it is a wrong principle and one—

**Mr. Macdonald:** Would the hon. member permit a question?

**Mr. Nowlan:** Yes, but I cannot guarantee to answer it.

**Mr. Macdonald:** He has made reference to the fact that there are no tax statutes in other countries which control foreign investments in this way and that the same purpose was achieved by corporation statutes. Can he refer to any other country which has the same division of legislative jurisdiction that we have? Is he not aware that this is a constitutional problem?

**Mr. Nowlan:** It may very well be a constitutional problem, but we are dealing here with a tax statute and we have always applied equality of taxation. I suggest that we are departing from this principle in the bill that we have before us at the moment.

I am sure there are others of my colleagues on this side of the house who will want to discuss this matter, but I am particularly interested in hearing what the minister has to say about tax conventions and the possibility of renegotiating them. I do not have to remind the Prime Minister or the Minister of Trade and Commerce of the negotiations which this country will have to carry on in GATT. As the Prime Minister once said, there are and will be no easy or automatic solutions to our problems in the future. They are becoming more closely interwoven and interlocked with the trading problems of other nations.

Already we have a document which has appeared in the United States press, and rightly or wrongly the United States resents this type of legislation. The United States press thinks it is anti-American. At any rate it is technically, because that is the only country in the world with which we have a tax convention which is automatically abrogated when we approve of this tax. We have to give notice to every other country, but technically at least this is anti-American, and it is creating a substantial degree of resentment in certain quarters in the United States.

We need United States capital coming into this country, and we need co-operation in our international negotiations which will be conducted this year, next year, and I suppose on into eternity, because they have become part of our permanent way of life. One should be very careful in bringing forward legislation such as this even for a laudable but sort of will o' the wisp—with all due respect—intention that the minister has in mind.

**Mr. Gordon:** I will try and answer some of the points raised by the hon. member. In the first place, so far as I could gather, he raised some very grave doubts about doing anything in this general area of trying to get a greater degree of control of the Canadian economy back into Canadian hands. He raised a number of bogies and a number of points which were raised previously and which we have tried to answer previously.

The one with the most substance was that if we do anything like this we will annoy people, and therefore we will not be able to get the capital we need in the future. I would remind the hon. gentleman that the most important part of this bill—it is not this clause but I hope I will be allowed to refer to it because it has a bearing on it—in some ways the most important part of this bill is that which relieves certain institutions in other countries from a withholding tax on bond interest that they receive, provided those institutions do not pay tax in their own country.

There has been very little said on this point, and perhaps I am at fault because I have not emphasized it. However, I do so in relation to this clause because it has a bearing on it. This means that with the passing of that particular clause, and with the exemption of withholding tax on this particular kind of interest, we will open up an opportunity in this country to sell securities to one of the fastest growing accumulations of capital funds that exists. These pension funds by and large would not touch Canadian bonds since the withholding tax of 15 per cent was imposed on bond interest in the budget of December, 1960. That action eliminated this very large capital pool from Canadian borrowers, and in

addition that 15 per cent tax on bond interest payable to non-residents has increased the cost of money in Canada.

It is a firm part of this government's economic policy that we should keep interest charges as low as possible, having regard to the rates of interest charged in other countries. Therefore I suggest to the hon. member that this fear of his in relation to this withholding tax on dividends should be related, at least to some extent, to the other measures that are proposed in this bill, which to me, in so far as future capital requirements are concerned, are far more important.

**Mr. Nowlan:** I do not want to interrupt the minister, but does he have any other instances? Has he any other clauses similar to that which he wants to draw to the attention of the committee, or is that the principal one?

**Mr. Gordon:** No, I mean to get back to this clause.

**Mr. Nowlan:** This is the principal one to which the minister refers?

**Mr. Gordon:** Yes, for now. The hon. member in his recitation of the facts that troubled him about this particular clause raised the question of the tax treaties and the fact that they will have to be renegotiated. Well, that is true; quite apart from the tax treaty with the United States, our tax treaties with all other countries have to be renegotiated because of the changes in the withholding taxes imposed in December, 1960.

Apart from the one with the United States, in the case of all others notice must be given before the end of June. Notice was not given before the end of June 1961. Notice was not given before the end of June 1962. When I became Minister of Finance last April one of the questions that was raised with me, and to which I gave considerable attention, was whether in June 1963 we should give notice to all these other countries that we intended to renegotiate our tax treaties with them, as we must do. I thought at that time it would be better to wait until this bill had been passed before giving that notice. It is perfectly obvious however this is something that has been hanging fire for three years, and that it must be attended to in the very near future.

I think, Mr. Chairman, I said all the treaties have to be renegotiated. There are one or two which do not, but certainly the majority of them have to be renegotiated. In the meantime—and I do not think this has been fully appreciated—the recipients of dividends from Canada in quite a number of countries have been getting their dividends tax, despite the fact that the law provides for a 15 per cent withholding tax, and has done so ever since December 1960. They have got this income free of tax because these treaties have not been renegotiated.



I agree with the hon. gentleman that it is high time we attended to that particular piece of business, and I can assure him we propose to do so as soon as this bill is passed. As to the tax treaty with the United States, there is a provision in it that as soon as a higher rate than 15 per cent is imposed, then under United States law their withholding tax goes to 30 per cent.

As the hon. member suggested, we have had some preliminary conversations about this matter. As I said the other day, it was suggested to us that, first, these proposed changes in the withholding taxes do not become effective until January, 1965 and so, if I remember the words correctly, it was suggested that there was no immediate hurry. Second, it was suggested to us that it would be preferable from the standpoint of the officials who will be doing the renegotiation on the American side to wait until the bill had been passed. They asked me when the bill would be passed and I said, perhaps rather optimistically, that I hoped it would be passed by the middle of October. But things move slowly.

**Mr. Knowles:** What year?

**Mr. Gordon:** That is my out because I did not mention any year. I might say I do not expect to be confronted with quite the arbitrary approach that I think the hon. member perhaps had in mind. After all, when this matter is examined, naturally we will point out that the withholding taxes are being reduced from 15 to 10 per cent in a number of cases, not increased, and that they are being increased from 15 to 20 per cent in a number of others but not effective until 1965. It is anybody's guess as to how these things will balance out exactly, but my officials are inclined to think that we will be collecting a little less rather than more in the way of withholding taxes on these dividends.

I think also that most people know that the amount of United States investment in Canada very greatly exceeds the amount of Canadian investment in the United States, and I daresay this point will not be overlooked in the negotiations. Certainly we will point it out. The hon. member was worried about certain Canadian companies that have subsidiaries in the United States. I have no doubt he had in mind Distillers Corporation, Hiram Walker and Gooderham and Worts.

**Mr. Nowlan:** We have never heard of them down in the valley.

**Mr. Gordon:** Perhaps the hon. member is not interested in the products of these companies. I am sorry about that; possibly I can change his mind after this committee rises. But these companies naturally have been making representations, as they are nervous about the matter; and I can assure them and also the hon. member that we will be keeping their problems very much in mind. I am not quite as convinced as he seemed to be that it is so simple just to move out of Canada and establish a head office in the United States. There are some technical problems about which his predecessor, who is now a leading counsel with a Toronto firm, might be able to inform him if the hon. member needs that information.

**Mr. Nowlan:** I am looking forward to it.

**Mr. Gordon:** Perhaps I could call it one o'clock, Mr. Chairman.

At one o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 2.30 p.m.

**The Deputy Chairman:** When the committee rose at one o'clock we were considering clause 22. Shall clause 22 carry?

**Mr. Brewin:** Mr. Chairman, there was an amendment which the minister proposed to put forward, I think, or if not, I do.

**Mr. Gordon:** There are in fact two amendments to this clause, Mr. Chairman. During the luncheon recess we had some discussion about this matter, and before we get on to the particular amendment perhaps I might be permitted to finish the remarks I was making in reply to the hon. member for Digby-Annapolis-Kings.

One of the points made by the hon. member was that he said he knew of no other instance where the taxing statutes were used in a way which was discriminatory, and that we and other countries have always used these tax statutes in such a way that taxes were applied equally. With the greatest respect I suggest to him that this may be true, but depending on the narrowness or breadth of the interpretation used. I remind him, to take a rather narrow example, that it was not very long ago that there were differences in the rates of withholding tax. The rate was 5 per cent in the case of dividends paid by subsidiaries substantially owned by corporations in other countries. The rate was greater in the case of dividends paid by other companies where there was not a very high degree of control. Certainly that form of discrimination existed, and I personally think that it was pointed in the wrong direction. I said that on many occasions to several previous governments. There certainly was a differential in the rates and to that extent there was discrimination.

Following up the point raised this morning by the hon. member for Nanaimo-Cowichan-The Islands, he said that certain industries in this country have for many years received incentives or a form of reduced taxation which did not apply to other industries. I think the hon. member suggested this gave the oil companies certain advantages. I think the hon. member for Burnaby-Coquitlam suggested that this was one of the reasons why the oil industry in Canada is pretty well dominated by foreign concerns. I am not going into the reasons why this form of incentive was given. I do not even propose to discuss whether, in the end result, it was not quite useful, because it did result in the development of our oil industry. I mention it because the companies which received most of the benefit were relatively few in number, and they were controlled in other countries.

I suggest this could be interpreted as a form of discrimination in their favour. I mention it only because to me all taxation is bound to be discriminatory. Parliament decides on the rates, and in their wisdom successive parliaments have decided to charge different rates in the case of individuals, depending on the amount of their total incomes. I do not suppose there are many hon. members of the committee who do not believe that a progressive rate of taxation as far as personal incomes are concerned is a reasonable way to redistribute income and to some extent redistribute wealth. In any event the progressive personal income tax is established in this country and I doubt very much that it will be abandoned in the near future.

I could give a number of examples to show that by and large there are many forms of discrimination in the tax statutes; I suppose it is inherent in the method of collecting government revenues, and always has been. Someone might ask why in this enlightened age we still collect customs duties. Other people may think, as I am sure some of my hon. friends opposite do, that we would be better off if there was no personal income tax. I do not think the hon. member for Nanaimo-Cowichan-The Islands would share that point of view, but others might.

**Mr. Knowles:** When the minister refers to friends opposite, I think he should indicate what part of the house he has in mind.

**Mr. Gordon:** I do not think the hon. member for Winnipeg North Centre should be so sensitive. Any reader of *Hansard* would be able to tell from the context of my remarks which particular friends I was referring to

at a given moment. I am glad to say I have friends in all parts of the house; at least I hope so.

I do not think this issue should be interpreted as dogmatically as the hon. member for Digby-Annapolis-Kings did this morning. The question has been asked why it was necessary to increase to 20 per cent the rate of non-resident withholding tax on dividends paid by companies which do not have a degree of Canadian ownership and control. That was the phrase originally used. I should perhaps now say "foreign ownership" in deference to the hon. member for Greenwood. The government desired to provide a worth while inducement for non-residents to release ownership of some shares in those subsidiaries in Canada in which there is now little or no Canadian participation. Since the non-resident withholding tax falls directly upon the non-resident who owns shares in Canadian companies, it is the tax which can best be used to encourage non-residents to make way for a reasonable degree of Canadian ownership.

To be effective, a tax inducement of this kind must amount to more than a few percentage points. Accordingly it is proposed that a relatively low rate of 10 per cent be provided where dividends are paid by companies with a degree of Canadian ownership, and that a rate of 20 per cent, which is more than can be absorbed by foreign tax credits in most cases, be imposed after a reasonable period in those cases where the paying company has not acquired a degree of Canadian ownership.

I do not think it would be particularly profitable for me to review at this point what I have said on other occasions about this clause. The fact is that this is, as the hon. member for Burnaby-Coquitlam said, if I recall his words correctly, a timid first step in the right direction. I am not prepared, in view of what has happened in the last few months, to admit it is as timid a step as the hon. member has suggested, but I am prepared to say it is a first step and I would hope all members of the committee would support it.

**Mr. Knowles:** What about the amendment?

**Mr. Gordon:** It has been proposed, Mr. Chairman, that instead of amending each of several clauses there be one amendment at the end which would deal with all the clauses and which would refer specifically to them and to the lines in the bill where the changes should be made. The amendment could be moved now.

**Mr. Knowles:** I think that would be better. Otherwise we would have passed the clause and we would have to reopen it.

[Mr. Gordon.]

**Mr. Gordon:** Well, I will ask my colleague the Minister of Public Works to move:

That Bill C-95, an act to amend the Income Tax Act, be amended as follows:

1. by striking out the expression "ownership and control" appearing in the heading immediately preceding section 105D of the Income Tax Act as set out in clause 22 thereof and substituting therefor the expression "ownership";
2. by striking out the expression "ownership and control" in line 22 on page 18 thereof and substituting therefor the expression "ownership";
3. by striking out the expression "ownership and control" in lines 35 and 36 on page 18 thereof and substituting therefor the expression "ownership";
4. by striking out the expression "ownership or control" in lines 26 and 27 on page 20 thereof and substituting therefor the expression "ownership";
5. by striking out the expression "ownership and control" in line 39 on page 20 thereof and substituting therefor the expression "ownership";
6. by striking out the expression "ownership and control" in line 42 on page 20 thereof and substituting therefor the expression "ownership";
7. by striking out the expression "ownership and control" in line 5 on page 25 thereof and substituting therefor the expression "ownership";
8. by striking out the expression "ownership and control" in lines 40 and 41 on page 26 thereof and substituting therefor the expression "ownership";

**Mr. Deschatelets:** I so move.

Amendment agreed to.

**Mr. Gordon:** I think there is another amendment which the Minister of Public Works would like to move. It applies to the clause we are now considering. Between the resolution stage and the drafting of the bill certain words which were in parenthesis were omitted. They should be reinstated. The amendment reads:

That Bill C-95, an act to amend the Income Tax Act, be amended by striking out line 17 on page 18 thereof and substituting therefor the following:

"corporation (other than a non-resident-owned investment corporation) as, on account or in lieu of payment"

**Mr. Deschatelets:** I so move.

Amendment agreed to.

**Mr. Monteith:** Before the clause as amended is carried, I should like to say a few words concerning this part of the bill. The minister indicated a moment ago that these provisions represented at least a first step. I suggest it is a first step down the wrong path. It occurs to me that the minister is approaching this problem in an altogether incorrect way. I appreciate that there is a problem. I under- we are now considering. Between the resolu- stand what the hon. gentleman is trying to do. My hon. friend from Digby-Annapolis-Kings, when he spoke before the recess, also said he appreciated the problem which the minister faces. We all do; but surely this is the wrong way to go about remedying it.

I think this is a retrograde step. I think it will be found unworkable, and in the few minutes during which I intend to speak I shall try to point out the inconsistencies

which it appears to me to contain. I believe this legislation is iniquitous and discriminatory. I suggest that an entirely different approach should be taken. Instead of penalizing people who wish to invest money in Canada, encouragement should be given to Canadian citizens to invest in their own equity securities. A more positive approach should be taken. The minister said this was a small step. I think it is a huge step in our relationship with other countries. I think the whole question should have been set aside until a report had been received from the royal commission on taxation.

The minister said my hon. friend from Digby-Annapolis-Kings had indicated that this provision would annoy people. Then the minister commented that whatever kind of tax might be imposed, some people would be annoyed. It is true that everybody is annoyed when a tax which they have to pay goes up by 1 per cent, or when some move such as this is made. But this particular provision does seem to me to be going off the wrong end. I agree with the statement made in the *Globe and Mail* of October 21, that this does appear to be an egghead approach.

My hon. friend from Digby-Annapolis-Kings said there were three subsidiaries of United States companies in his riding. I could name innumerable companies of this kind. I was talking to a representative of one the other day. His company had a lengthy lease. It did not expire for another year, and they had been about to exercise their option to purchase. Well, they are now reconsidering the whole move. The expression used to me in this connection was "Why should we do this when there appears to be a climate in which we are not wanted?" The financial climate in Canada today is such as to discourage foreign capital from entering Canada, and to discourage the holding of capital in Canada.

Even if the steps which are now proposed were in fact taken, what would be the result? What would happen if a company were to sell 25 per cent of its interest in Canada in order to take advantage of the 10 per cent differential in the withholding tax? What would happen to the amount for which they had sold the interest? Undoubtedly the parent company would take it out of the country, to the United States or whatever country was concerned. If they were going to sell any share of the corporation they would undoubtedly remove any savings they might have accumulated in this country, any surplus cash they might have, before they actually put a percentage of the stock on the Canadian market. John Meyer, a financial writer for a Montreal newspaper, has estimated that these savings might amount to as much as $4 billion. This would, I feel, put the minister in a difficult position concerning his foreign exchange.

Another question that might be raised is, are Canadian funds actually available for the purchase of these equities if they are put on the Canadian market? Possibly some Canadian capital is available. However, in other cases those wishing to exercise their right to purchase some of these equities might have to borrow capital. They might go out of the country to borrow this capital. The interest payment on this borrowed capital might amount to more than the dividends if they had been left in the hands of the original holder.

I could go on, Mr. Chairman, pointing out these inequities. I should like, however, to give one small illustration in actual figures, which I believe to be true. As I understand it, if there is 76 per cent foreign ownership under the control of one person and 24 per cent Canadian, that particular company would have to pay the 20 per cent withholding tax. For the sake of argument, let us say a different company has 75 per cent held by one foreign person, 23 per cent held by another foreign person, and only 2 per cent Canadian. I understand, or my interpretation of the provision is, that this particular company would only pay the 10 per cent withholding tax. I suppose the company with the 76 per cent foreign control in one person and 24 per cent Canadian would be, as the hon. member for Digby-Annapolis-Kings has put it in the past, considered to be the bad boys, whereas the company with 75 per cent foreign in one hand, 23 per cent foreign in another and only 2 per cent Canadian, would be considered the good boys. They would only pay the 10 per cent withholding tax.

**Mr. Gordon:** May I ask the hon. member a question? I will try to put it in the form of a question.

**Mr. Monteith:** I would be glad to be corrected if I am wrong.

**Mr. Gordon:** Then if I may correct the hon. member, 25 per cent of the stock would have to be listed on a Canadian stock exchange, the shares would have to be listed on the stock exchange, so Canadians would have an opportunity to buy them. The regulations of the exchange would require a substantial number of shareholders, or they would delist the stock.

**Mr. Monteith:** Does the minister mean that 25 per cent would have to be listed on the Canadian stock exchange and that no foreigners could invest in it, only Canadians?

**Mr. Gordon:** No.

**Mr. Monteith:** Then my original statement stands. I think a much more positive objection can be taken to this. My friends to the left may not agree, but I believe that consideration should be given to encouraging Canadians to invest in Canadian equities. We now have a situation where there is a deduction of 20 per cent on income tax on dividends received from Canadian corporations. Perhaps an increase in this amount could be considered as a positive approach. Another possible approach would be the broadening of the regulations under which insurance and trust companies are allowed to invest in equity stock. These provisions might create more Canadian interest in these equity securities and do it in a positive way rather than, as I claim, a discriminatory way which is going to discourage foreign capital investment which we feel is necessary.

This country is still young. The minister mentioned a moment ago the other sectors in which he indicated that perhaps he had not emphasized strongly enough the fact that he is trying to get foreign capital to come in here and invest in bonds rather than equities. I agree with this move. However, on the other hand he then penalizes them for investing in equities. Despite the fact that there may have been a day when other countries, for argument's sake, found that the borrowings on bonds, debenture debt with fixed interest rates was possible—despite this, I think that today if we want investment capital in Canada we have to give some encouragement.

I say, Mr. Chairman, that we are going completely in the wrong direction on this matter. I think this is unworkable. I do not see how the minister is going to regulate this. As I mentioned earlier, there was the one instance I pointed out of the 76 per cent foreign ownership on one hand and the 24 per cent Canadian, and that company still would have to pay the 20 per cent withholding tax. On the other hand the company with 75 per cent in one foreign interest, 23 per cent in other foreign hands and only 2 per cent Canadian would be considered the good boys and only pay the 10 per cent withholding tax. As one hon. member said, you do not even have to have 2 per cent Canadian, because all you have to have is 25 per cent of the stock listed on the stock exchange. You would not have to have any in Canadian hands, except for the qualifying directors.

As the hon. member for Digby-Annapolis-Kings has indicated in the past, this may well be a good field for lawyers. They will be receiving some great retainers. In fact at that time I would rather belong to that profession than the one to which the minister and I belong. There will be a gold mine for the lawyers in the appointment of these dummy directors, and so on.

I reiterate, Mr. Chairman, that in my humble opinion one cannot regulate the flow of capital in this way. You cannot do it by legislation. I do not think it is logical. I feel that we are going to disrupt the whole business community, and we are going to frighten the business community. This has happened already. I agree wholeheartedly with what the hon. member said this morning concerning this agreement, but I am not going into detail on that matter right now. I am referring to the tax conventions and how they will have to be amended. Then at this moment, of course, we are facing the possibility of the imposition of a 30 per cent withholding tax on Canadian corporations which have subsidiaries in the United States.

Sir, I come back to the fact that it is not only my opinion but the opinion of those whose financial experience is much broader than mine that this measure is only going to further undermine confidence in our financial structure. It is an indication that this type of capital is not wanted. I mentioned an experience I had this week. I believe this provision will create the kind of financial climate that would give the appearance that this capital is not wanted in Canada, and I do not think that ought to be the case.

**Mr. Lambert:** There is one question that bothers me.

**The Chairman:** Order. Perhaps, so that we may proceed in an orderly fashion, I ought to bring to the attention of the committee that the minister might want to move the amendment proposed earlier this afternoon.

**Mr. Monteith:** He has done so.

**The Chairman:** It is a general amendment, but I think the amendment should be related to each individual section. The amendment, therefore, reads:

> By striking out the expression "ownership or control" in lines 26 and 27 on page 20 thereof and substituting therefor the expression "ownership".
>
> By striking out the expression "ownership and control" in line 39 on page 20 thereof and substituting therefor the expression "ownership".
>
> By striking out the expression "ownership and control" in line 42 on page 20 thereof and substituting therefor the expression "ownership".

Shall the amendment carry?

**Mr. Lambert:** I have one brief point to raise on clause 22, in connection with the matter of ownership and control, or ownership by Canadian residents. In a province such as Alberta memoranda of association are used, which provide that directors need not be shareholders. This is quite feasible and permissible. Therefore it is possible under the bill to specify that 25 per cent of the directors be Canadian residents, but they need

not own any shares. This does not provide Canadian investment in Canadian companies. I am sure this does not apply only in the province of Alberta, but I can assure the minister it is a device commonly used. The requirement of Canadian directorship can be followed without one blessed penny being invested in a company.

**Mr. Gordon:** It can, but the rest of the clause would then not apply. Therefore I do not see this creates a difficulty.

Amendment agreed to.

**Mr. Wahn:** I would like some clarification from the minister of the definition of "management or administration fee or charge" which appears on page 21 of the bill. My remarks are directed specifically toward the wording which appears at line 32 on page 21, which excludes from the definition of management or administration fee or charge "a specific expense incurred by the non-resident person for the performance of a service that was for the benefit of the payer."

Perhaps I could make my question specific by putting a specific case. Suppose a parent company uses its own employees to perform for its Canadian subsidiary an identifiable service, for example purchasing, expediting, assisting in contract negotiations, architectural services or engineering services. There might be a number of services customarily rendered by parent companies to subsidiaries, and if a parent company charges a subsidiary a reasonable fee, perhaps cost plus a reasonable allowance for overhead and profit but a reasonable fee, will such a fee be subject to the 15 per cent tax? In other words will such a fee be considered within the wording of the bill as "a specific expense incurred by the non-resident person for the performance of a service that was for the benefit of the payer"?

If the wording had covered a specific amount paid to the non-resident person for the performance of the service I would have no worry, but I would like some clarification from the minister of what is meant here, because it would indicate what is in mind is an actual out of pocket expense paid out by the parent company to an independent firm. Does it cover a service performed by the parent company with its own personnel, and does it cover a reasonable fee which might be cost plus an allowance for overhead and profit?

**Mr. Gordon:** The subsection provides that the expression "management or administration fee or charge" does not include an amount paid to a non-resident person at arm's length for services which are performed as part of the non-resident's business, for example engineering or architectural services performed for a Canadian company by a non-resident firm of engineers or architects. Also the expression does not include amounts paid to a non-resident to reimburse him for a specific expense performed for the benefit of the Canadian parent.

**Mr. Lambert:** This will only have the result of increasing the management fee charged to the Canadian subsidiary by the American parent to take care of the tax paid.

**Mr. Gordon:** I do not think there is any danger of that, and this has been the case since 1960 when the withholding taxes were changed. It was open to a parent company, instead of withdrawing a dividend from Canada on which that 15 per cent withholding tax would be paid, to take the money out in the form of so-called management fees. This will stop that; or if the money goes out in the form of management fees the 15 per cent tax will be collected. So far as the treasury is concerned it will now be protected. If the management fee is for a specific expense then it is a legitimate expense it will be treated in the same way as all other legitimate expenses and deducted from the Canadian company's income and not subject to the withholding tax.

Clause as amended agreed to.

Clauses 24 and 25 agreed to.

On clause 26—*Dividend stripping.*

**Mr. Lambert:** The other day I queried the minister about the possibility of retroactivity, as appears at page 4292 of *Hansard* for November 1, and the minister indicated he wanted to make sure that he did not have any retroactivity in this regard. However, if we look at the clause carefully we will see it is still open to question as to whether there cannot be retroactivity. In other words it is discretionary with the Minister of National Revenue to determine whether the series of transactions did or did not commence prior to June 13, 1963. What is really needed is a clear indication within the legislation that the beginning of the transactions shall be a matter of fact and not open to discretionary determination by the minister.

**Mr. Gordon:** I completely agree with this point. There is no intention at all that this should be retroactive in its application. I understand the hon. member for Digby-Annapolis-Kings would like to amend this clause by changing the place where the words "in the opinion of the minister" appear, by deleting them from line 17 and including them at the end of line 21. If the hon. member for Edmonton West would agree I would ask my hon. friend the Minister of National Revenue to move the amendment.

**Mr. Lambert:** That is fine.

*Income Tax Act*

**Mr. Garland:** I move, seconded by the Solicitor General:

That section 26 be amended by deleting the words "in the opinion of the minister" in line 17 and inserting the words "in the opinion of the minister" at the end of line 21 after the words "one of the purposes of which"

Amendment agreed to.

**Mr. Monteith:** Before the clause as amended passes, I notice that in section 138A there is some discretionary power given to the treasury board. Could any of the officials give the minister an idea of how frequently, if ever, this discretion has been used in the last number of years?

**Mr. Gordon:** I think the hon. member's question had to do with section 138 of the act rather than this particular clause. Am I right?

**Mr. Monteith:** That is right.

**Mr. Gordon:** The officials inform me that provision has never been taken advantage of.

**Mr. Monteith:** What I fail to understand is that if section 138 has never been taken advantage of, why do we need 138A at this time giving discretion to the minister? I fail to understand the reason for it.

**Mr. Gordon:** I am informed that under the old section it was necessary to prove that something was improper, which is perhaps a question of judgment. This provision is to cooper it up and, if I may say so again, to plug one of the most blatant loopholes in the Income Tax Act. There may be differences of opinion as to the amount of tax that anyone should have to pay on corporate incomes, but surely there is no difference of opinion, that we should not have a situation where one lot of taxpayers get off scot free while the others have to pay a high rate of tax. This clause is intended to stop that.

**Mr. Lambert:** I should like to ask one clarifying question. With regard to the provision for appeal found on page 24 of the bill, could the minister tell me whether it will be mandatory to go through the tax appeal board before going to the exchequer court, or will the taxpayer have the right, as now exists, to elect to go to the exchequer court directly?

**Mr. Gordon:** It will be just the same as it is now. The taxpayer will have the right to elect.

**Mr. Monteith:** Is it anticipated that the department will be asked to give opinions? I know that in the past it has been impossible to get an opinion from the department whether such and such a deal was within the provisions of the law, and so on, or as to how it would stand tax-wise. As I understand the situation, the stand has been that people should go ahead and make their arrangements and if they are then taxable they will be assessed. Does the department not anticipate, as long as there is this ministerial discretion, more pressure on the minister actually to make a decision on the possible transaction before it has taken place?

[Mr. Lambert.]

**Mr. Garland:** Mr. Chairman, perhaps I could say a word on this matter. For the proper exercise of discretion it is necessary for the minister to know all the circumstances surrounding the transaction or series of transactions, and this can only be known after the facts have been determined and each transaction has been completed. It will be recognized that the minister cannot exercise his discretion in advance or even find himself to exercise his discretion in a certain way in advance of the event. On the other hand, the officials of the taxation division are prepared, within limits, to discuss informally proposed transactions with taxpayers and their lawyers and accountants, but conclusions cannot be reached which will be binding on either the minister or the taxpayer.

I should add that any requirement imposed on the taxation division to provide a service of advance rulings would create a strain on the modest number of trained, qualified staff capable of this work, and would reduce the number of tax returns of wealthy individuals and important corporate taxpayers which could be audited each year. Any slackening in the already limited audit function could only result in the weakening of compliance and the loss of tax revenue.

None the less the taxation division officials, I want to emphasize, will be available for informal consultation. The government is prepared to look into the matter further if experience shows that the absence of advance rulings hampers the orderly development of business enterprises and the economy of the country.

Clause agreed to.

Clause 27 agreed to.

On clause 28—*Where corporation has degree of Canadian ownership and control.*

**Mr. Garland:** I move:

That clause 28 be amended by striking out the expression "ownership and control" in line 5 on page 25 thereof and substituting therefor the expression "ownership", and by striking out the expression "ownership and control" in lines 40 and 41 on page 26 thereof and substituting therefor the expression "ownership".

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

**The Chairman:** Shall I report the bill?

**Mr. Gordon:** Just before you leave the chair, Mr. Chairman, I should like to thank you for your assistance and patience, and I should like to thank the members of the committee for their great help during the past few days.

Bill reported.

**Mr. Deputy Speaker:** When shall the said bill be read the third time? Now, by leave?

**Mr. Monteith:** Next sitting of the house.

**Mr. Deputy Speaker:** Next sitting of the house.

## CONSUMER CREDIT

### ESTABLISHMENT OF JOINT COMMITTEE OF SENATE AND HOUSE OF COMMONS

**Hon. J. Watson MacNaught (Solicitor General)** moved:

That a joint committee of the Senate and House of Commons be appointed to inquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to inquire into and report upon the operation of Canadian legislation in relation thereto;

That twenty four members of the House of Commons to be designated by the house at a later date, be members of the joint committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto;

That the said committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto; and that a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.

He said: Mr. Speaker, there seems to be complete unanimity in the house concerning the desirability of passing as soon as possible this resolution relating to consumer credit. The fact that there are upwards of a dozen or so public bills on the order paper relating to various aspects of consumer credit would indicate the intense interest that hon. members have in this controversial matter. Articles have appeared in leading magazines and newspapers from time to time alleging, among other things, that exorbitant rates of interest are being charged by finance companies.

The terms of the resolution are broad enough to permit the committee to make a report on these allegations. If the resolution passes, as I hope it will, it is my intention to move that the subject matter of the various public bills on the order paper relating to consumer credit be referred to this committee for further consideration. In view of the desire of all hon. members that the resolution should pass without delay, I shall not delay its passage further.



**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, with respect to the resolution brought forward by the Solicitor General I should like to say that it deals with a situation that has been before the house on many occasions in the last number of years. In that regard I refer not only to the last six or seven years but to many years before that.

I believe the main difficulty in the case of all the consumer credit bills now on the order paper is the question of jurisdiction. In each instance where the matter of consumer credit arises there has been a conflict as to the division of responsibility between the federal government, with its responsibility for interest, and the provincial governments with their responsibility for contracts of a personal nature. For that reason I hope if the resolution is passed and the committee is set up it will be composed of people who will be able to deal with the difficult constitutional problem.

After the constitutional problem is settled there is also the difficulty of passing legislation which will prevent people from being foolish at a time when they are badly in need of finances. All the bills on the order paper now, as well as previous bills, if they have been opposed when they have come up for discussion have been opposed on the ground that you cannot legislate common sense into people when they are making a contract. A person who is in a very difficult financial position is prepared to pay a large sum by way of interest in order to get the money which he badly needs at the time. It has always been another difficulty that if we legislate too stringently in connection with consumer credit it may dry up the legitimate source thereof and force people to other means of securing money when they require it.

In summary, Mr. Speaker, we also do not wish to hold up the resolution, so I would simply say we are prepared to support it. We hope the committee will make a very complete investigation of consumer credit. There are items of legislation in the provincial legislatures along the same line, and I feel we will have to consider the provincial legislation also to see that we do not overlap. But as I say, we are in support, in general terms, of this resolution.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, the hon. members of this group welcome the setting up of this committee because we believe it has before it an important task. The problem of credit is becoming increasingly important, both because of the fact that the amount of credit being used by the people of Canada is rising at an alarming rate, and also because of the fact that there is in this

business, as I suppose there is in every business, a small percentage of people who are so interested in making money that they really have no scruples or any friends. The newspapers of Canada from one end to the other have been filled with examples of people who have not only gone into debt to an extent they could not possibly afford, but in fact have been charged the most fantastic and exorbitant rates of interest. Recently the *Financial Post* carried a story about a recent immigrant to Canada who became the victim of a mortgage broker. This person borrowed $1,501 from the broker, and that is what he received; but he had to sign a note for $2,350, the extra $849 representing an arranging fee. After paying the prescribed $35 a month for three years he discovered that he still owed $1,580, which was more than he had borrowed in the first place. He was supposedly paying an interest rate of 7 per cent but he was in fact paying 30 per cent. There are dozens of cases on record along this line and there is no need that I list them.

This year the Ontario legislature appointed a select committee to inquire into the situation. They called before them mortgage brokers who testified that they had lent money on which they had charged interest rates of 80, 90 and 100 per cent. It is true the mortgage brokers claimed that they really did not know the interest rates. But that is not the important thing; the important thing is that people were forced to pay these rates.

I know this committee will have great difficulty, owing to the federal set-up of our country. Part of the responsibility for this question is federal and part is, of course, provincial. We had in the province of Manitoba until recently an act which provided for the orderly payment of debt. Under this act people who found they could not meet their obligations were able to go to court and were able to get the court to set the rate they could afford to pay their creditors, as well as the order in which they would pay. Within the last year or so the courts in Manitoba have ruled that that act was beyond the powers of the province and really came under the jurisdiction of the federal government. I think the committee should consult with provincial governments. They would also have the responsibility of calling in people who are in the credit business. I was going to say there may be people, but I think that is a little unfair: there are some legitimate people in this business, but there are some who are not. I do not think the whole business should be tarred with the same brush. I do not think the responsible and legitimate people should take, or indeed would want to take the responsibility for the misdeeds of the few. They should have the right to appear before this committee. For example, I saw recently a case where the head of a big acceptance company was arguing that the business had no objection to telling people what they would pay by way of return, but that it was impossible to state it in terms of simple interest. I disagree completely. However, the committee should hear all these people, and I hope when it reports back to the house the government will bring in legislation so that the kind of stories now prevalent from one end of Canada to the other, of people being gouged and mistreated, will disappear, and this whole practice be declared illegal and prohibited in the future.



**Mr. A. B. Patterson (Fraser Valley):** Mr. Speaker, I rise at this time to support the measure now before us proposing the setting up of a joint committee of the Senate and House of Commons to inquire into and report on matters relative to consumer credit. We find today that many Canadians are placed in the paradoxical position of living in the midst of abundance, yet facing personal problems of poverty and in many cases destitution. We like to brag about our high standard of living, but on the other hand we must face the unpleasant fact that even in this country there are thousands living just above the borderline of destitution. I think this is an indictment of our society and the economic system which now operates.

We in the Social Credit party have always maintained that the amount of purchasing power in the hands of the people should fairly closely approximate the reasonable price of goods and services available. We believe that is essential if we are to maintain our economy at the proper level. At the present time this is not so. We find the income earned by our people is further drastically reduced by substantial rates of taxation at all levels of government, which further reduces the purchasing power of the people. I feel this entire problem needs real consideration, and we trust that the terms of reference of this committee will enable it to go into all these relevant fields.

I am sure that a survey of the homes in our nation would indicate a shortage of many of those appliances and other items which have become commonplace to many of us. On the other hand, as I have indicated, there is a superabundance of these items in our stores and factories. The result has been that in order to try and acquire these appliances many people have gone so far into debt that they almost find it impossible to extricate themselves. The temptation to buy on credit is, of course, very real. Walk down the streets of our cities and towns and see the neon signs everywhere proclaiming the fact that you

can come in and borrow money, on supposedly reasonable terms and under very pleasant circumstances. But we do find that this contributes to the position in which many of our people find themselves when they buy on credit to such an extent their income is not adequate to cover the payments they must make. So we find that credit buying runs to between $3 and $4 billion, which is a considerable amount of money.

We have a proliferation of companies who are engaged in credit operations, and we do not object to that fact. However, there is increasing concern over some aspects of the problem, and this has been pointed up by the number of bills currently on the order paper, the subject matter of which we have been assured will be referred to this proposed committee for consideration. Most of us have received letters and other communications calling attention to alleged unethical practices indulged in by some of these companies. As the previous speaker said, we do not want to tar all these companies with the same brush because many of them are carrying on in a very commendable manner; but there are some which are not. I have received a communication in which attention is drawn to one of these practices. I hope I can refer this to the committee for consideration during its hearings. A man bought a piece of equipment. He got behind in his payments once or twice and was charged, seemingly, an exorbitant rate of interest. He then carried on his payments satisfactorily. But when he had almost come to the last of his payments he was told he must have the complete amount ready in two days. This placed him in an enormous impossible situation.

Circumstances such as this do arise from time to time. I believe many of those who are now engaged in the financing business would, themselves, like to clear up such practices. Many of them are trying to carry on their operations in an ethical manner and are concerned about others who, by their sharp practices, bring discredit upon the lot. I welcome the proposal to set up this committee and for our part we shall give it our full support.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I must say that this resolution on the appointment of a committee on consumers' credit is most welcome.

I can say without fear of being contradicted that Canada's economy depends on finance, on credits and on loans. The federal government is up to its neck in debt—if the simile may be forgiven—the provincial governments, or at least most of them, are carrying a much too heavy load of debts, and the same thing applies to municipalities, school boards—one of my hon. colleagues says that the same situation prevails among members —and private citizens.

When a child is born, the happy father rushes to finance companies and borrows some money in order to buy a crib, diapers and feeding bottles. When the child is old enough to go to school, parents purchase various items on credit in the stores or by mail order catalogues, and get 36 or 48 months to pay on the instalment plan. When the time comes to go to college or to the university, finance companies are visited once again.

And when the time comes to get married, money is borrowed either to buy a house, or to purchase furniture for the bedroom, the living room, or to buy a car or refrigerator.

Having reached 35 or 40 a man buys a house through Central Mortgage and Housing Corporation; he is allowed a period of 35 years to pay back his loan, so that he will be 75 or 80 by the time he becomes the owner of his house.

This thing has come to a point where morticians tell people: "Die now, pay later".

Mr. Speaker, such is the situation which prevails. Finance is with us from our birth to our death, and a person has to pay interest during his whole life. Our Canadian citizens do not know how to get out of it.

When a citizen, a small business or a small industry are in the hands of finance companies, they often have to pay extravagant interest rates and commissions.

I do not think it would be an exaggeration to say that in our region of Saguenay-Lake St. John, we have usurers who take advantage of the small people, the small worker and the small farmer, possibly to a greater extent than anywhere else in Canada. We have seen individuals who, in order to borrow $2,000, gave a commission of $1,000 and signed promissory notes for $3,000, so that in three or four years, they sometimes paid back up to $5,000.

It is when Central Mortgage and Housing Corporation refuses to lend money to farmers, that usurers take advantage of the situation. Finance companies will do the same when they lend money to an individual to buy furniture, a car, etc.

The time has come to put an end to all that, but when you take a look at the interest rate of the federal government, you must recognize that they too are excessive.

For instance, Central Mortgage and Housing Corporation is still lending money at 6¼ per cent, while chartered banks are prohibited by law from lending at more than 6 per cent. Therefore, I consider that the federal government sets a bad example by lending money at 6¼ per cent.

The object of the act is to enable the little fellow to build a house, but the federal government is the first to take advantage of him by charging him 6¼ per cent interest, while forbidding the chartered banks to charge more than 6 per cent, which it considers a reasonable profit.

The same is true in regard to the industrial development bank which, in certain cases, charges up to 7 per cent interest. I think this is an excessive profit, and we should examine what the federal government is doing in this field.

We might also—and I just mention it incidentally—look into the credit situation of the chartered banks. It would be an opportunity for us to discover who is creating credit in Canada and why credit is such a scarce commodity.

The resolution will enable us to call and question witnesses, and we have the firm intention to question those who are creating and making credit in Canada.

Mr. Speaker, those are the remarks I wanted to make to point out that this committee is needed, and also to show up to what point we should go to establish credit sources while trying to delve into the problem.

I hope that all hon. members sitting on that committee will carefully consider the credit situation and see to it that a sensible solution of the problem is reached.

[*Text*]

Motion agreed to.

## NORTHWEST TERRITORIES ACT

### AMENDMENTS RESPECTING COUNCIL MEMBERSHIP, NAMES OF TERRITORIES, ETC.

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources)** moved the second reading of Bill C-83, to amend the Northwest Territories Act and to rename the said territories, and to effect certain consequential changes in the statute law with respect thereto.

He said: It is my intention in moving second reading of this bill to make a brief statement concerning the proposal which, taken together with the succeeding bill, is intended to bring a greater measure of self-government to the people of the Canadian north. I hope that if any of those who take part in this debate wander from the terms of this measure to the extent of discussing the bill which is to follow, you will pardon them, Mr. Speaker, because these two bills are part of the same plan.

Some members of the house probably think that we are creating history in Canada today when we propose to establish two new territories in this country. I hope there will be participation from all sides of the house in the debate which is now to take place. We are dealing with the Northwest Territories, that remaining part of the Canadian frontier which is not within one province or another. I wish to remind hon. members, especially those who have not had the good fortune to visit this part of the country, what an almost unbelievable stretch of real estate we are discussing. This region embraces 1,300,000 square miles or about 34 per cent of all the land area of Canada. It is almost 1,800 miles from any corner, or any part, to the furthest opposite point of this vast territory. It is a region which we have found largely unmanageable even from a central position in Ottawa.

We have decided that the time has now arrived when an increasing amount of self-government should be granted to the people who live there. We think the efficiency of government in every sphere will be improved by moving away from centralized government towards a position where there will be more government on the ground, as I have chosen to describe it. We think that in the territory as a whole the time has now arrived for us to extend a great new measure of authority so as to enable the inhabitants to conduct their own affairs. I say this in the light of the increasing investment in the north, the increasing population, the higher standards of education and the greater understanding among those who live there of the resources available and of what can be done with them.

It has been decided, therefore, to divide this immense territory into two parts. It is the thought of this government, as it was of the preceding government, that if self-government is to be extended to this region it must be brought to at least something like manageable size. In the proposals contained within these two bills consideration is first of all given, as one might expect, to the historic division of this great territory, that is its division by nature. For reasons which will be readily understood, we are paying particular attention to the facts of transportation. This is a country where transportation appears to me to be the limiting factor.

We have therefore, paid attention to the western side which we propose to call Mackenzie. Outlining the boundaries there, we have set them along the Mackenzie river and up to the border of the Arctic ocean. The division line is the 105th longitude of west meridian; proceeding from the 60th latitude northward until it reaches the Arctic circle, thence surrounding Victoria island and Banks island, to take in these two major islands. This is to be incorporated in the territory of Mackenzie.

I am satisfied that this particular area is quickly going to be able to take care of itself. It is preponderantly, with the exception of Victoria and Banks islands, below the tree line. I want to remind hon. members that when they go to the Arctic they will see the unbelievable significance of a tree line in this country. When you leave the tree line of Canada it is like having the water cut off. Indeed, there is a relationship between the tree line and water. The western part of Mackenzie, which we propose to set aside, is largely treed. It has a great many things in common with southern Canada. Within the next several years. I would think by October, 1965, it will have a railway to latitude 62.

I am delighted to know that as a result of amendments that were made to the Railway Act in 1952, the laid down cost of carlots in Hay River, as a result of the provision then passed that freight to all areas in Canada in carlots must not exceed one and one third times the transcontinental rate, will be the same rate as for a car landed at Calgary, Alberta. This is going to mean a tremendous result in my opinion, in that country. I think it will have the effect of supplying goods to the western north at a saving of $10 to $15 a ton. This, in turn, is going to have the effect of reducing the cost of living, reducing the cost of operation of companies in that area in search of minerals and of oil to the point that some properties which they judge to be uneconomic may well be brought into the economic sphere.

At Hay River, which was unfortunately badly devastated by a flood in May of this year, rebuilding has taken place. As I think I told the house last night, freight shipments on the Mackenzie, down to the mouth of the Mackenzie by water, are some 50 per cent higher in 1963 than they were in the shipping year of 1962. At latitude 62, or just below it, we have the huge investment in the Pine Point mine. It, too, will be served by the railway, which will have its terminus at Hay River, by a spur line taken off some few miles below Hay River and running east to Pine Point. An enormous expenditure is being made there by the parent company, something in the nature of $30 million, on a lovely townsite.

After you leave Great Slave lake and go down the Mackenzie, there are a great number of locations of increasing importance populated by people in increasing numbers who have confidence in their ability to stay there and make their way. I think that with the many treasures of the future in the Arctic, particularly in the western Arctic, tourism is going to be one of our great industries. I was glad to note that a private company operating out of Hay River is setting in motion plans to have a tourist ship run on the Mackenzie river next year down to the Arctic. I would think it would be blessed with success from the start. It is exceedingly interesting country. One can, if he should get up, or should stay up, until 2 a.m. in the morning, still see the sun. There are situations there and people there of very great interest to Canadians from southern Canada.

In so far as the eastern Arctic is concerned, I must say at once that, due to the fact it is above the tree line, due to the fact that so far, in spite of investigations we have made, there do not seem to be comparable resources to those existing on the western side of the Arctic, the outlook for the future is more difficult. The fact is that, in spite of investigations made by our fisheries department and other departments, the amount of resources in the country seems relatively low in proportion to the people who are living there. Communication is exceedingly difficult. It is for this reason that in the bill respecting that part, in other words the residue of the territory left when we pass the Mackenzie bill, we have decided to retain the centre of government in Ottawa.

Let me remind hon. members that transport for officials, transport for those engaged in search of development of the country, is largely by airplane. It is costly and it is of such a nature in respect of the eastern Arctic that if one flies out of here, or from Toronto or Montreal to the north, there is no service either east or west to the various points up there. One has to come back to southern Canada and go from there to the next point in that country.

I do want to pay tribute to the indigenous people of the area. Canadians, by and large, did not know them 10 to 15 years ago. In the last 10 or 15 years, we have made a real effort to know them. Probably, in many cases, a selfish interest took us there because we were looking for resources other than people, but we found people there. I want to pay tribute to these people. I do not want to portray quite the terrible difficulties that were put before the house last night by the hon. member for Northwest Territories (Mr. Rheaume) who spoke of the unbelievable hardships with temperatures down below 50 or 55 degrees. I am as fully aware as he that the kind of average climate up there is not the climate that I saw in the months of August or September.

However, I believe that successive governments have done a good job of taking those things up there that we want to leave there and taking to these people an increasing measure of the amenities of life to protect them from the elements. I admit that there

are quite a number of people, particularly on the eastern side of the Arctic, who today have no home to put over their heads; none whatever. There are probably—this is only my estimate based upon having made one visit—1,000 or 1,500 indigenous persons who have no shelter from the weather. In the future, Mr. Speaker, I am going to propose to members of this house that one of the prerequisites for talking to these Canadians will be that we talk to them out of the weather. I would propose to this house in the future that we should find some means of taking these unfortunate people in out of the weather, by the production of homes which we could put in there for a reasonable price.

I saw what I believe was called a 10 by 24. The hon. member for Northwest Territories may correct me if I am wrong. It is just that —a house 10 feet wide by 24 feet long. I saw, in a number of instances, not one, two or three families but probably four families living in that one house. I do not want members of parliament to decry that condition because that is better than having no house at all, a great deal better. I hope that in the future, in respect of these people, we can move into an era where we can say these Canadians have a home and shelter from the weather, in an area which does not have the most hospitable climate in Canada.

In addition to the extremely low temperatures, I am informed there are winds accompanying these temperatures. I was told that the winds range from 80 miles per hour to 100 miles per hour with temperatures many degrees below zero. There are Canadians who know far more about the north than I who say that, in the end, the eastern Arctic may come off best. When I was there this summer I saw them drilling for oil at latitude 75. I endeavoured last night to pay tribute to the companies who are putting risk capital into that area. One of these drilling companies expended $360,000 to bring their drilling equipment into the area. I think it behoves Canadians in every part of Canada to give some marks to these companies who are taking the risk in that territory, when they could invest money in southern Canada and have it secure.

I think that their contributions should be emulated by a great many more Canadians, and should be accepted by members of parliament in the spirit in which they are risking that capital. A great deal of money is in there searching for oil, and if they find the fields which geologists are confident are present, then there could be the situation that the real riches of the Arctic rest in the east instead of the west. If that should be the case I would be extremely happy because I am content in my own mind that the future of the western part of the Arctic is secure.

[Mr. Laing.]

I think our chief interest for some years to come is going to be in respect to the eastern Arctic.

I could go on to tell something about the populations. When these bills pass the house, and I hope they do quickly, as otherwise we will have no government in those territories, we will have in Mackenzie a territory so vast that there will be one person per 38 square miles, and in the territory of Nunassiaq we will have one Canadian per 200 square miles. The size of these areas is almost unbelievable, and their difficulties are great. The costs of doing or developing anything there are extremely high, and the problems of living in that climate are not easy.

I think these bills, supported by the council of the Northwest Territories by formal resolution at their council meeting in Inuvik in July this year, were developed not by this government but by our predecessors, out of resolutions passed by the council of the Northwest Territories, and I hope we move forward with them quickly as a very important new offer of self-government to the people in that area, to the extent that in the western area they will have a majority of elected members.

They will have a commissioner resident in the Mackenzie. They will have for the first time almost the same degree of self-government as the Yukon territory enjoys today, and I hope therefore, Mr. Speaker, we can move forward intelligently but expeditiously with these bills.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I should to put a question to the minister—

**Mr. Deputy Speaker:** Does the hon. member for Lapointe want to ask a question?

**Mr. Gregoire:** Yes, Mr. Speaker, to the Minister of Northern Affairs and Natural Resources. While the house is considering Bills No. C-83 and C-84 concerning the boundaries between the Mackenzie territory and the Nunassiaq territory, is it the minister's intention to propose also the marking of new boundaries with regard to the islands located within a three-mile limit of the territorial waters of the province of Quebec?

[*Text*]

**Mr. Deachman:** On a point of order, Mr. Speaker, the subject under discussion has to do with the internal boundaries of the Northwest Territories and not with the territory outside those boundaries, and in no way divides them. Therefore the question of the hon. member for Lapointe (Mr. Gregoire) would not be applicable to the two bills before the house. In further proof of the point

of order I have before me the British North America Act and selected statutes, and here you will see in the British North America Act of 1871, an act respecting the establishment of the provinces in the Dominion of Canada, in which it sets out how the boundaries of a province are to be altered. Further, you will find the Quebec Boundaries Extension Act of 1912, an act to extend the boundaries of the province of Quebec. It is under acts similar to this in relation to the British North America Act that I submit the hon. member for Lapointe would find an opportunity for the question he brings before the house.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on the point of order—

[*Text*]

**Mr. Deputy Speaker:** I am just wondering whether we are not engaging in debate rather than discussing a point of order. I am not sure whether the minister wants to reply to the question posed a moment ago by the hon. member for Lapointe (Mr. Gregoire). If not, then I can recognize the hon. member for Edmonton West who wants to put a question.

**Mr. Lambert:** Could the minister advise the house what legal studies, if any, were made either from a constitutional or civil standpoint as to the implications of the proposed changes?

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I rise on a point of order. I had put a question to the Minister of Northern Affairs and National Resources, and we are now about to discuss another matter. I think it would be in order that an answer be given to my question before going on to something else. That is why I ask the Minister of Northern Affairs and National Resources to be kind enough to answer the question I asked him.

[*Text*]

**Mr. Laing:** As I understand the question the hon. member wishes some assurance that the delimitation or fixing of the boundaries shall be made after some thought, inquiry and study is given to it. I am fully aware of the commitment made to the house earlier this year that the bill, after second reading and if it is the desire of the house, would be referred to a committee, at which time we could go into a great deal more detail. I am quite certain we on this side of the house will be happy to move such a motion at the end of second reading, if that is the desire of hon. members. I will say I do not know the means whereby boundaries of provinces in Canada are changed, but I am quite certain a measure such as this would not be the avenue for such an act.

Considerable studies have been made—and this may answer the question of the hon. member for Edmonton West (Mr. Lambert)—and we have gone back to the act of 1912 wherein, in respect of these particular areas the prime minister of Canada at that time, on March 18, 1912, said in the House of Commons that it was the full determination of the government to retain the offshore islands in those regions for the purposes of navigation and defence. Indeed in 1912 there was an act which was reciprocal legislation between the government of Canada and the provinces of Manitoba, Ontario and Quebec in respect of the limiting and setting out of their boundaries. Certainly if changes were being made in the boundaries of the provinces, I am quite certain it would be by an act other than this. I want to say to my hon. friend that the limits of any province could not be altered without the participation of that province, and to tell him that we have had no representations from Quebec in respect of this matter.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, still about the same matter—

**Mr. Deputy Speaker:** Does the hon. member wish to ask the minister another question?

**Mr. Gregoire:** As a matter of fact, I rise on a point of order. Since we have before us today two bills, that is bills 83 and 84, which are closely related and cannot be studied separately, because there is a direct and immediate link between the two, we have preliminary remarks to make on both of them before consideration of either one is undertaken.

The point I am raising requires a clearcut answer from the minister. Otherwise, I shall have no choice but to move that those two bills be referred to a special committee of the house for study. In my opinion, such a thing can be done, since that procedure has been followed in the past.

**Mr. Deputy Speaker:** Order. The hon. member will have an opportunity to make such a statement or proposal later.

I should remind the hon. member that the minister himself has indicated that, if it was the wish of the house to refer those bills to a special committee, as has been suggested, he would be agreeable. The hon. member for Lapointe will have an opportunity to make his comments when his turn comes up.

[*Text*]

**Mr. Pickersgill:** I wonder if I might have the indulgence of the house for just a moment. I apologize for being outside the house momentarily when this matter came up, but there was a discussion through the usual channels about what would happen when the second reading of these bills came up. It will be recalled that before the house adjourned for the summer recess I had given an undertaking that if the hon. member for Lapointe (Mr. Gregoire), or any other hon. member wished to do so, we would find some means of putting a certain question to a committee before the second reading was proceeded with.

As I said in the house the other day, the hon. member for Lapointe was good enough to tell me he would not ask us to do that, and he would agree to the second reading of these two bills if the government in turn would undertake to send both bills, once they got second reading, to the appropriate standing committee. I gave that undertaking in the name of the government, and that is what the government intends to do. We intend, if the house will agree to give second reading to these two bills, to send them both to the appropriate committee where they can be considered. That is a firm undertaking on behalf of the government.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, in reply to the Secretary of State, it is true that we are ready to let the two bills be referred to a committee of the house, but we insist that the two go together, since they are directly related to each other.

**Mr. Pickersgill:** Agreed.

**Mr. Gregoire:** I must add one thing, however. The main reason why we are interested in those two bills, is that they concern the islands. We realize at this time that we might well be prevented from making our remarks, about those bills in committee, especially as far as the property of those islands is concerned.

That is why, before the bills are read for the second time, we would ask the Minister of Northern Affairs and National Resources to give us the assurance that consideration will be given to the question of our boundaries, of the boundaries of the Northwest Territories and especially of the Nunassiaq territory and of the islands.

If we agree to the first, the second is automatically agreed to. This bill with which we are concerned deals with the islands off the coast of the province of Quebec and is the second one under consideration.

[Mr. Deputy Speaker.]

If the Minister of Northern Affairs and National Resources can assure us that the problem of the boundaries of the Nunassiaq territory, that is the second bill also dealing with the boundaries of the province of Quebec, will be considered, we will then accept the suggestion of the Secretary of State.

But it is essential that we obtain a firm undertaking from the government that this matter will be looked into by the committee.

[*Text*]

**Mr. Pickersgill:** I understood that was precisely what the committee was going to study. It seemed to me that was the whole point.

**Mr. Gregoire:** No, Mr. Speaker, that is not what the Minister of Northern Affairs and National Resources just said. He said it was another problem completely. Another member over there said it was not in order in discussing these bills but that we might find another occasion to do so. We do not want another occasion. This is the occasion to study the boundaries of Nunassiaq territory.

**Mr. Pickersgill:** While it might not be possible to legislate at this time, Mr. Speaker, I am sure it would be perfectly possible to study the matter, and I give the undertaking as far as I can on behalf of the government that it is the intention of the government, if the house will be good enough to give these two bills second reading, to refer the bills to the appropriate committee and to bring the officials there and anyone else within reason who can throw any light on any of these questions so that they can be studied thoroughly.

**Mr. Gregoire:** Including the islands?

**Mr. Pickersgill:** Including the islands and including the mainland too.

**Mr. Churchill:** Mr. Speaker, the discussion is becoming a little involved, but there is a basic misunderstanding here. The Secretary of State is quite correct in what he has said. He has told us this afternoon that the government is prepared after second reading to refer the bills to a committee, if that is desired. The hon. member for Lapointe has a special reason for wanting certain matters discussed by a committee.

But where the misunderstanding is creeping in is in this regard. As far as we are concerned, and I tried to make this clear on other occasions, we have certain reasons of our own for wanting the subject matter of these bills referred to a committee before second reading. There is a great difference between the two positions. Second reading involves agreement in principle and the bill then goes to committee for study. But due to a misunderstanding that occurred last July—and we

have been over this ground before, because we discussed the matter on October 11—the house passed the resolution stage expecting that a special committee would be set up to consider, or a standing committee would have referred to it, the subject matter of these two bills. That misunderstanding has not been cleared away.

We have reached the stage now where the government is asking for second reading of the bills and then reference to a committee. We still take the position that reference of the subject matter to a committee should be made before agreement in principle is given to the two bills. I do not want to enter into a lengthy discussion as to why this, that and the other thing should be done. Other people can do that. But that is the situation.

I understood the Secretary of State to say on October 11 that he would attempt to find some solution to that problem, but most of the discussion has centred on the argument of the hon. member for Lapointe with regard to the islands, with which I happen not to be concerned at the moment. If we can clear up the misunderstanding, perhaps we can get on with the job, but unless it is cleared up we cannot see our way clear to give agreement in principle to the two bills and then have them referred to a committee.

**Mr. Pickersgill:** I wonder whether I could say a word on this point. I think there is still some confusion, notwithstanding the commendable effort of the hon. member for Winnipeg South Centre to clear it up. I cannot seem to find now the undertaking I gave in July. Perhaps somebody could find it in *Hansard* for me.

**Mr. Churchill:** Page 1968.

**Mr. Pickersgill:** The undertaking I gave in July, and I read the words again, had to do with the subject of the islands, not the subject matter of the bill. If somebody could turn it up we could look at the words. I do not know the rules very well but I am sufficiently familiar with them to know that if one refers the subject matter of a bill to a committee by amendment, that kills the bill. That is a rule of the house. It is not the case, of course, with private bills but it is the case with public bills. It was not our desire to kill the bill. If the bill is going to be killed we should go on to some other order of business. If it is the purpose of the majority in the house to kill the bill and to prevent the objective of the bill, which is to set up self-government in the Mackenzie valley, it is not the purpose of the government. It was not the purpose of the previous government which got this legislation all ready to be introduced into the house.

I may say that a motion to refer the subject matter of the bill to a committee would be wholly unacceptable to the government and would always have been unacceptable to the government. What I said in July was that the government, before the bills were brought forward for second reading, would find some means to refer the subject that the hon. member for Lapointe brought up, that is to say, the subject of the sovereignty over these islands, so that a study could be made of the situation.

In my view that question really is only related to the bill. It is not a part of the bill at all and it could be studied quite separately by a committee without affecting the ultimate progress of the bills through the house. But a motion that the bill be not now read a second time but that the subject matter be referred to a committee would kill the bill. I might say that this legislation is legislation of the previous government and represents the policy brought into being by the hon. member for Brandon-Souris (Mr. Dinsdale). If the house is not disposed to pass this legislation and if the members who supported the previous government are not now supporting that policy, the sooner we know it the better because there are other urgent things to be done.

The whole problem could, of course, be met on another occasion. If somebody wants to move that the subject matter be referred to a committee and thus kill the bill and end this matter for this session of parliament he is perfectly at liberty to do so in this free parliament, but here is the undertaking I gave on the 8th of July which has now been drawn to my attention. I said:

> I do not think it would be possible to sit before the bill is presented, but I am sure we could make some arrangement to have the matter considered before the bill is proceeded with. What we want to get is the first reading of the bill so that it can be seen by the Northwest Territories council; but we would not proceed to second reading for a good long time. I would be quite prepared to give an undertaking that in some fashion or other this matter would be remitted to a committee so that the matters the hon. member wishes to raise could be raised, if that is satisfactory.

I think it is quite clear there that it was not the bill or its subject matter, but the subject that the hon. member for Lapointe had brought up that I had in mind and that I was prepared to find some means of bringing before a committee. But when the hon. gentleman removed that difficulty by saying that he would agree, on behalf of himself and his friends, to the second reading of both these bills if he got an assurance that that subject would also be considered in committee when the bills were considered I thought that solved our problem. That is why the government called this bill for today. But if it did

not solve the problem, if other hon. members wish to make a motion, which they have a perfect right to make, that would have the effect of killing the bill, we will just have to see what will happen, of course, when that is done.

**Mr. Churchill:** Mr. Speaker, in an endeavour to be co-operative in the house we lay ourselves open to an attack by the Secretary of State. If he has said something about killing the bill once he has said it six times. Let us hold the Secretary of State to the agreement that he made on July 8. He read part of his statement. I will read the rest of it. Let us not have any omissions. The Secretary of State just referred to the first column on page 1968. In the second column on that page this is what the Secretary of State said. Let us put it on the record again.

> I will give the hon. gentleman the assurance I have already given the hon. member for Lapointe, that once these two bills are seen, if there is any demand from any quarter of the house that some of the matters in the bills or other matters related to them could usefully be reviewed by a committee, I will undertake to ask my colleagues to have this done, and I feel sure they would agree with me.

Then looking at this sentence—

**Mr. Pickersgill:** Go right on and read the rest of the paragraph.

**Mr. Churchill:** I intend to read every word in that statement.

> In fact I am quite prepared to commit the government to putting a motion on the order paper for a reference to a suitable standing committee of the house to consider these matters before we proceed with the legislation itself.

**Mr. Pickersgill:** That is right.

**Mr. Churchill:**

> This could be done, unless hon. gentlemen would be equally well satisfied when they have seen the bill to having it read a second time and then having it sent to the committee for revision. I will undertake to discuss it with hon. gentlemen and meet their reasonable wishes in the matter.

**Mr. Gregoire:** Read the next paragraph.

**Mr. Churchill:** Then on October 11 the issue came up again, and it was quite properly pointed out that it is not normal to refer bills to committees before they have passed second reading. Even then—

**Mr. Pickersgill:** Would the hon. gentleman give me the page?

**Mr. Churchill:** Yes; page 3469. The hon. gentleman admitted that he made the commitment in July in these words:

> Mr. Speaker, there is absolutely no question that I did make a very precise commitment and I intend to carry out that commitment if there is any insistence on the part of any hon. member that I do so.

Then he said that that commitment was to a specific matter; but that is not what he said in July. Then he went on to say that you cannot send bills to a committee before second reading, but that if a reference were restricted to the frontiers of the territories, that might be considered by a committee. The difficulty is that the Secretary of State kept putting his mind constantly to the particular problem raised by the hon. member for Lapointe (Mr. Gregoire) and we had great difficulty getting him to consider his commitment in July.

That is the situation we are in now. We are not anxious to kill the bill, but the problem, as has been pointed out from time to time in the house, is that people who live in these areas should have a chance to make certain representations. This is democracy and I think they should have that chance. It is surely not beyond the scope of ingenuity of the government to discover some method of having this problem considered before we pass second reading of these two bills.

**Mr. Pickersgill:** Mr. Speaker, I think I should be permitted to reply directly to what the hon. member for Winnipeg South Centre (Mr. Churchill) said. If he would just refer again to the words of mine which he read, reported at page 1968, I said:

> I will undertake to ask my colleagues to have this done, and I feel sure they will agree with me. In fact I am quite prepared to commit the government to putting a motion on the order paper for a reference to a suitable standing committee of the house to consider these matters before we proceed with the legislation itself.

**An hon. Member:** Why did you not do that?

**Mr. Pickersgill:** Because the only member who asked for that was the hon. member for Lapointe; and when he withdrew his request and no other hon. member made any such request to me I understood that we were prepared to go ahead with the second reading of both bills and refer them to a committee; and I so said on one occasion in the house when announcing the business. But I still consider that I am bound by that commitment, and if any hon. member feels that the government will not be carrying out the commitment or will be breaking its word, or that there is any other matters which should be raised—and the only matter I recall being raised in July when I gave the commitment was the question of these islands and the frontier—then I am prepared to move that we adjourn this debate at once, and I will endeavour to carry out my undertaking to the letter and consult with my colleagues, and draft some kind of motion, to put it on the paper and to have a reference. I will ask the help of hon. gentlemen opposite in an endeavour to get the kind of motion they want, to bring the subjects they want before a committee, and we will leave these bills on the order paper until such time as that is done.

I did give that commitment in the name of the government and the government is not going to break its word, or even appear to be breaking its word, to any hon. member. But the government is not prepared to accept an amendment which, under the rules we operate under, would kill the bill. We cannot do that. If hon. members feel that they are committing themselves to any principle they do not want to commit themselves to, by voting for second reading of the bill before such reference is made to a committee, I am unable to say what day such a motion could be brought up or how soon it would be possible to set up that committee. All I am saying is that I will carry out the undertaking I gave to get some kind of motion on the order paper which we can take up whenever we can. In the meantime we will just leave the legislation on the order paper, because obviously we cannot do both things at once.

**Mr. Rheaume:** Mr. Speaker, on this very point, when the Secretary of State (Mr. Pickersgill) says that the request came from only one member I must draw his attention to the fact that as early as June 7 I had begun directing questions to the Minister of Northern Affairs and National Resources (Mr. Laing). As reported on page 780 of *Hansard* I directed this question to the minister:

> In view of the far reaching implications of this measure—

That is, the bill—

> —to the people of the north, will the minister assure me, and through me the people of the north, that he and his colleagues will consider the establishment of a special house committee to examine this proposal, in consultation with the people of the north, who after all are the ones most affected by the measure?

The Minister of Northern Affairs and National Resources replied at that time, in part:

> I think that with regard to any possible change in the present policy of presenting bills to the house I will have to take the question as notice and make a further study. I may be doing that in a few days.

Subsequently the minister of northern affairs did suggest that this would be done.

On this topic generally, Mr. Speaker, I think I should point out to the house that, although parliament opened on May 16 of this year it was not until July 8 that the Secretary of State and house leader chose to introduce the resolution stage of this bill. I think hon. members should be aware that this was a mere 48 hours before the Northwest Territories council opened its sittings in Inuvik, Northwest Territories. At that time the house leader said to the house, in effect: "You must proceed with this immediately. Please don't debate it. We will give any kind of undertaking; we are short of time". I submit that there was no reason to be short of time, even at the resolution stage, because from May 16 the government knew the Northwest Territories council session opened July 10. It was left to within 48 hours of this event before the resolution was pushed through, with certain commitments. The commitments were that if any member of the house asked for a special committee the government would undertake to set one up. It would not have the effect of killing the bill.

As recently as last night the hon. member for Brandon-Souris (Mr. Dinsdale) gave a precedent in this regard. If reference is made to *Hansard* for May 14, 1946, the house leader of that day, the Hon. Ian Mackenzie, referred a bill on reinstatement in civil employment to a standing committee before reaching second reading stage, with the concurrence of the house and without having the effect of killing the bill.

I think it is most important with this kind of legislation that we realize that no one in this house is asking for the bill to be killed. We are merely asking, and have been ever since I got into this house on June 1, that some opportunity, some vehicle, be provided whereby residents of the Northwest Territories—who I must say are not all in agreement by any means that division of the north is a good thing—have an opportunity to be heard. There is a wide disparity of opinion on that question, from pretty eminent individuals such as a judge of the court of the Northwest Territories and a former Liberal member of this house who travels extensively through the north, and who has said categorically in press statements and in decisions to juries recently that division will be a bad thing. I merely point out some rather highly placed and eminent people peculiarly suited to understanding the implications of this issue have asked for a special committee.

**Mr. Deputy Speaker:** Is the hon. member speaking to the point of order?

**Mr. Rheaume:** Yes, I am. I am pointing out to the Secretary of State, in connection with his assertion that any effort to cause extra inquiry to be made would be interpreted as an effort to kill the bill, that we categorically deny this is in the minds of any of the members on this side. Rather, we are acting in response to requests received from many people in the Canadian north.

**Mr. Pickersgill:** Does the hon. member feel that giving these bills second reading and then referring them to the committee will make the committee's deliberations any more restricted? If the bills are not given second reading and sent to committee, the committee

will have nothing before it except such a motion as I might draft. What objection is there to giving these bills second reading? That does not make them law. Let them go to the committee and be subject to as full an inquiry as is desired. The government is quite happy to have that done.

**Mr. Rheaume:** The answer to that proposal is that many people in the north are not in agreement with the principle of the bill and they want to be heard. This does not mean the bills will not eventually be enacted. It merely means there is no point in going through a charade. What is the point of saying to them: "Come on down and let us know whether you think the north should be divided" when it has already been decided that this should be done, because approval has been given to the bill in principle.

**Mr. Baldwin:** On the point of order, may I refer to the precedent referred to by the hon. member for Brandon-Souris and tell the house that that involved a government bill, Bill 54 concerning the reinstatement of the civil employment act. A motion was moved that the bill be not read a second time but that the subject matter be referred to a select committee. We are, therefore, reinforced in our thinking that this is a sound practice, unless there has been a change in our standing orders which would preclude such a course from being considered.

I have not the latest edition of Beauchesne, but I have the third edition, and at page 498 reference is made to a similar incident. An act to amend the Railway Act was introduced by the government and in the course of the debate an amendment was proposed that the subject matter be referred to a committee. The Speaker, I think it was Mr. Speaker Black, ruled that this was a valid amendment. An appeal was made from his decision, but the decision was sustained. This is to be found on page 501. If the only fear of the Secretary of State is that a motion of this kind will kill the bill, I think his misgivings might be allayed by these precedents.

**Mr. Pickersgill:** May I ask the honourable and learned gentleman a question? He knows I have the greatest respect for his knowledge of the rules, a knowledge which I think is much greater than my own. But I was not arguing that a motion to refer the subject matter of the bill to a committee would be out of order. I recognize, as I imagine does everybody else, that it would be in order. But I say it would, none the less, kill the bill.

Let the hon. member ask this question: What would the committee do? The committee would no longer have the bills before it. There would be nothing to come back to this house but the report of the committee—no bill upon which this house could proceed. In some fashion, another bill would have to be introduced and we would have to start all over again with another resolution. The other bill might be identical in language to the one before us now, but it would have to be introduced with a resolution preceding it, it would have to be given first reading and second reading and then go to committee again. That is a process which this government believes to be totally redundant and this is why I ask the hon. member for the Northwest Territories what objection he has to our sending this bill to the committee, together with the other bill. The house can still defeat them on third reading if it wishes to do so. The committee could keep them in committee indefinitely, if that is its wish. Every argument could be used in committee precisely as it could be used if the subject matter of the bills were sent to it. But the bills themselves would be intact, so that after the committee had done its work they could come back to the house as bills, if the committee wanted them to go back, and be considered by this house.

If any hon. member wants to hold me to the undertaking I gave in the name of the government on July 8, that we would suspend this legislation but that I would draft a motion and put it on the order paper, a motion having to do in particular with the islands referred to by the hon. member for Lapointe, and with the question whether the territory should be divided at all, we should be ready to do that. However, I think it should be clearly understood what the consequences would be. It is not reasonable to hope that this legislation could possibly get through during this session of parliament. That process would inevitably involve delays. It would involve putting on the order paper a motion giving 48 hours' notice and it would mean finding parliamentary time in which to discuss the matter. Yet we could get the whole thing through the committee in ten minutes, right now, if we had a mind to, and it would not commit us to anything more. I appeal to the hon. member who, I feel, is conscientiously trying to represent his constituents to let the bills be given second reading. Let them go to the committee and then let us take all the time necessary.

**Mr. Diefenbaker:** We are listening to a speech, now, not to the discussion of a point of order. This is a suggestion by the Secretary of State as to what should be done, rather than an argument on a point of order.

**Mr. Gregoire:** On the point of order, I should like to say that whether the question of the islands is studied in committee before second reading or after second reading is

not a matter of importance to me. But I should like a clear undertaking by the Secretary of State that it will be possible to study this question of the islands and that it will also be possible for the government to amend Bill C-84 in accordance with the facts produced before the committee, even if the bills have been given second reading. If I could have such a clearcut statement from the Secretary of State I would be willing to accept his proposition.

**Mr. Baldwin:** Surely, if this house could reach that degree of unanimity for which we often strive but which we too seldom achieve there could be an order of the house that the subject matter of the bills be referred to a select committee without prejudice to those bills being retained on the order paper to come up for second reading after the committee had completed its deliberations.

My reason for taking my present attitude is this: I have certain objections to specific parts of this bill. Some of the provisions are repugnant, I think, to certain residents in the territories. This is an omnibus bill containing a number of amendments. There are some with which I am in perfect agreement. With others, I am not. Consequently, I find it difficult to say I am in agreement with this bill in principle. This is why I put forward the suggestion I have just advanced.

**Mr. Pickersgill:** I think the hon. member is perfectly right. There is no doubt that if the house wished to do so it could, by unanimous consent, have the subject matter of the bills dealt with by committee but leave the bills themselves on the order paper in a state of suspended animation until such time as the committee had completed its deliberations. This would really be doing what I said might be done on July 8, though in the somewhat more elegant form which the hon. gentleman has given to it.

I do not think the government would mind accepting a suggestion of that kind if there were unanimous consent, but I would defer to my colleague the Minister of Northern Affairs and National Resources. I feel sure he would be happy to agree, but perhaps he could say for himself whether such a course would be satisfactory to him.

**Mr. Laing:** My hon. friend's colleague, the minister of northern affairs, is not happy. This is legislation which was drawn up by the government under the leadership of the ex-prime minister of this country. Now we find members supporting the opposition taking the stand that we should place this matter before the committee before giving it second reading. There is apparent in that suggestion an unmistakeable determination by members of the other side of the house to see that progress is completely impeded.

**Mr. Diefenbaker:** You know that is not true.

**Mr. Churchill:** You are spoiling it; that is not true.

**Mr. Laing:** The term of the council of the Northwest Territories ended yesterday or the day before.

**Mr. Diefenbaker:** Why didn't you get the legislation on before?

**Mr. Laing:** Well, of course, this is the favourite argument of the right hon. gentleman. It was the argument of his colleague, the hon. member for Northwest Territories (Mr. Rheaume). On Monday night his colleague from the Northwest Territories berated the government for not introducing this legislation, and told us we were introducing it too late. Now, here we have it and could proceed within two minutes, but it must be delayed. We have to bring visitors down from the north. We have to have objections from people in the north. The hon. member from Northwest Territories spoke about various people, and incidentally, I shall not quote those people in this house because I think it would be improper for me to do so.

**Mr. Rheaume:** I rise on a question of privilege, Mr. Speaker, since the minister has mentioned my name. Is the minister aware of the fact that the Leader of the Opposition gave his word to the executive officer of the Liberal party that the legislation would go to such a committee? Is the minister aware of that, and since he is so very anxious to fulfil the commitments the previous government made, will he fulfil this one?

**Mr. Laing:** I have no objection to my hon. friend from the Northwest Territories playing both sides of the fence between Monday night and Friday night; none whatever. I just want to remind him of the consequences, because we are going to have no territories government up there. If he chooses to say to the people he is supposed to represent that he is not concerned over whether they have a government or not, that is his responsibility.

**Mr. Rheaume:** I rise on a point of order, Mr. Speaker. I am not supposed to represent them: I do represent them.

**Mr. Laing:** At this moment, I will be content to use the word "supposed", in the light of what has happened in this house recently.

I want to read into the record a resolution passed by the representatives of the Northwest Territories. These are the people elected by the people of the Northwest Territories

to represent them in the government of the Northwest Territories. This is what they said:

Whereas the council of the Northwest Territories has reviewed the bill to amend the Northwest Territories Act in order to create the territory of Mackenzie and the bill to create the territory of Nunassiaq, as given first reading in the House of Commons on July 8, 1963;

And whereas the bills embody the provisions requested in the resolution passed by the council of the Northwest Territories in its session in Ottawa in January, 1962, after more than two years of consideration and study, and are satisfactory in all respects to the council;

And whereas there will be great inconvenience if the bills are not passed by November 7, 1963, at the latest, with effective date for the establishment of the new territories from April 1, 1964, as provided in the bills;

Now, therefore, the council of the Northwest Territories respectfully expresses its appreciation for the submission of legislation to carry out the action that it has requested in the interests of the progress and development of government in the territories.

Then, my hon. friend from the Northwest Territories, which he says he represents, is quite prepared to obstruct in every respect—

**Mr. Churchill:** You are spoiling it now.

**Mr. Laing:** I have no opinion on how much time should be used here in assertion and denial, but quite a bit has been used so far, and the result has been that these bills are being delayed.

**Mr. Diefenbaker:** Delayed because they were not introduced earlier when they should have been.

**Mr. Deputy Speaker:** Order; pursuant to a recent order of the house, I assume it is the unanimous desire of the house that this debate be adjourned. Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Deputy Speaker:** It being five o'clock, the house will proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

## INTEREST ACT

### AMENDMENT TO PLACE CEILING ON INTEREST RATES

**Mr. Stanley Knowles (for Mr. Orlikow)** moved the second reading of Bill No. C-10, to amend the Interest Act.

He said: I move the second reading of this bill so that my friend, the Solicitor General, can move an amendment to send the subject matter to the special committee set up earlier today.

**Hon. J. Watson MacNaught (Solicitor General):** I move:

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed today to inquire into and report upon the problem of consumer credit.

Motion agreed to.

### AMENDMENT TO PLACE CEILING ON INTEREST RATES

[*Translation*]

**Mr. Rodolphe Leduc (Gatineau)** moved the second reading of Bill C-55, to amend the Interest Act.

[*Text*]

**Hon. J. Watson MacNaught (Solicitor General):** I move:

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons to inquire into and report upon the problem of consumer credit.

Motion agreed to.

## SMALL LOANS ACT

### AMENDMENT REQUIRING STATEMENTS OF TRUE INTEREST RATE CHARGE

**Mr. Stanley Knowles (for Mr. Orlikow)** moved the second reading of Bill No. C-14, to amend the Small Loans Act.

He said: On behalf of the hon. member for Winnipeg North I make the same motion in respect of this bill.

**Hon. J. Watson MacNaught (Solicitor General):** I move:

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed today to inquire into and report upon the problem of consumer credit.

Motion agreed to.

### AMENDMENT TO REDUCE MAXIMUM INTEREST RATES

**Mr. Gilles Gregoire (for Mr. Gauthier)** moved the second reading of Bill No. C-23, to amend the Small Loans Act (cost of a loan).

He said: On behalf of the hon. member for Roberval I should like to move the same motion as the hon. member for Winnipeg North Centre.

**Hon. J. Watson MacNaught (Solicitor General):** I move:

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed today to inquire into and report upon the problem of consumer credit.

Motion agreed to.

### AMENDMENT REQUIRING STATEMENTS OF TRUE INTEREST RATE CHARGE

The house resumed, from Friday, June 14, consideration of the motion of Mr. Orlikow for the second reading of Bill No. C-9, to amend the Small Loans Act (advertising).

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I rise to resume the debate on this so that a motion can be made for the subject matter to be referred to the committee.

**Mr. Deputy Speaker:** Is that agreed?

**Some hon. Members:** Agreed.

**Hon. J. Watson MacNaught (Solicitor General):** Mr. Speaker, I move, seconded by the Minister of Fisheries (Mr. Robichaud):

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed this day to consider the problem of consumer credit, for further consideration.

Motion agreed to.

**Mr. MacNaught:** I wonder if I could have the unanimous consent of the house to have several of these bills called in order that they may be referred to this committee?

**Some hon. Members:** Agreed.

## BILLS OF EXCHANGE ACT

AMENDMENT TO PREVENT FRAUD IN RETAIL CREDIT TRANSACTIONS

**Mr. Stanley Knowles (for Mr. Peters)** moved the second reading of Bill No. C-33, to amend the Bills of Exchange Act (instalment purchases).

He said: On behalf of the hon. member for Timiskaming, I move the second reading of this bill for the same purpose.

**Hon. J. Watson MacNaught (Solicitor General):** I move:

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed today to inquire into and report upon the problem of consumer credit.

Motion agreed to.

## FINANCE

PROVISION RESPECTING CONTROL OF CONSUMER CREDIT

The house resumed from Friday, June 7, consideration of the motion of Mr. Scott for the second reading of Bill No. C-6, to provide for the control of consumer credit.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I revive the debate on the second reading of this bill so that the Solicitor General can move the appropriate amendment.

**Some hon. Members:** Agreed.

**Hon. J. Watson MacNaught (Solicitor General):** Mr. Speaker, I move, seconded by the Minister of Fisheries (Mr. Robichaud):



That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed this day to consider the problem of consumer credit, for further consideration.

Motion agreed to.

## BANKRUPTCY ACT

AMENDMENTS RESPECTING WAGE EARNERS' ASSIGNMENTS

The house resumed, from Friday, June 28, consideration of the motion of Mr. Orlikow, for the second reading of Bill No. C-12, to amend the Bankruptcy Act (wage earners' assignments).

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I resume the debate on the second reading of this bill so that a similar amendment can be moved.

**Hon. J. Watson MacNaught (Solicitor General):** Mr. Speaker, I move, seconded by the Minister of Fisheries (Mr. Robichaud):

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed this day to consider the problem of consumer credit, for further consideration.

Motion agreed to.

## COMBINES INVESTIGATION ACT

On the order:

Second reading of Bill No. C-100, an act to amend the Combines Investigation Act (Captive sales financing).

**Mr. J. A. Byrne (Kootenay East):** Mr. Speaker, I wonder if I could resume the debate on this bill.

**Mr. Churchill:** No, you have to start it.

**Mr. Byrne:** If the house leader of the official opposition would move this, I feel it would be appropriate.

**Mr. J. A. McBain (for Mr. Noble)** moved the second reading of Bill No. C-100, to amend the Combines Investigation Act (captive sales financing).

**Hon. J. Watson MacNaught (Solicitor General):** Mr. Speaker, I move, seconded by the Minister of Fisheries (Mr. Robichaud):

That the subject matter of this bill be referred to the select joint committee of the Senate and House of Commons appointed this day to consider the problem of consumer credit, for further consideration.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I believe this is the last of the bills we are dealing with in this way this day, and before the motion is put I trust we can have the assurance that an early meeting of the joint committee can

be called, so that it can get to work on the tremendous amount of business we have given to it.

**Mr. MacNaught:** Mr. Speaker, I want to assure the house that every consideration will be given to activating this committee as soon as possible so that these bills, along with other matters relating to the subject of consumer credit, can be considered.

Motion agreed to.

## INDUSTRY

### PROVISIONS FOR DISTRIBUTION OF INDUSTRY AND REDUCTION OF UNEMPLOYMENT

**Mr. Robert C. Coates (Cumberland)** moved the second reading of Bill No. C-29, to provide for the development of certain provinces by the distribution of industry and for the reduction of unemployment therein.

He said: Mr. Speaker, it has been some time since I first introduced this bill, and in the interim steps have been taken by both governments, which have been of some benefit in providing tax incentives to various areas which have had high unemployment for a long period of time. However in my opinion the decent step of designating certain specific areas that will provide certain benefits for industries that locate within them, is too little and too late, from a maritime point of view.

We must take very comprehensive, realistic and bold steps that will give a guarantee of revitalizing the economy of the Atlantic provinces by ensuring that industries will look upon the area with interest because of the incentives provided. I do not feel that selecting certain areas in Nova Scotia and New Brunswick is going to do the job. I do not think it is very realistic for a government to tell the people of Prince Edward Island that they have no area within which incentives should be provided for the location of new industries, and that they should go it alone and try to compete against other areas in the Atlantic region because these other areas are faced with more severe problems than they are.

Only recently the Atlantic provinces economic council placed this matter before the royal commission on taxation, and stated that if areas were to be designated, then the whole Atlantic provinces should be designated as an area where special and very broad tax incentives should be provided. Certainly nothing government has said or done to date is as comprehensive as the action that would be forthcoming if the bill I have introduced were adopted.

I believe the statement made by the present Minister of Fisheries, (Mr. Robichaud) when this subject was last debated in the house, should be looked at closely. I look forward to hearing from him in this debate later on. The Secretary of State for External Affairs, (Mr. Martin) and the Secretary of State (Mr. Pickersgill) also took part in that debate, and were most anxious to see the government of that day adopt it. I hope the Minister of Fisheries will fortify the remarks he made on that occasion and, as a result of the persuasion he must have with his colleagues, see to it that the bill is adopted today instead of being talked out.

There is much to be done in the Atlantic provinces, and there is much that can be done if the purpose that is embodied in this bill is adopted. I look forward to its being adopted by the government and to seeing great new development take place in the Atlantic provinces because of the incentives inherent in the bill.

Mr. Speaker, I would like to place on the record a portion of an editorial which appeared in the Fredericton *Daily Gleaner* of November 5, which says in effect what we need in the Atlantic provinces in the way of special tax incentives:

> The federal government's tax concession policy, if it can be called that, is to pick a few scattered communities, declare them as high unemployment areas, and then give "qualifying" industries establishing in them a three-year corporate tax exemption. That is a most inadequate way of dealing with the economic ills of the Atlantic provinces. Such a policy stands about as much chance of checking rising unemployment as a popgun has of stopping a charging rhino.
>
> The Atlantic provinces economic council would change all that. In a brief to the royal commission on taxation, it demands that the entire Atlantic region be designated as a single area where new industries can qualify for tax exemptions and other incentives.
>
> This is neither a new request nor a new concept. Many maritime voices have made similar pleas throughout the years. And there have been many precedents for such measures. Britain, a number of European countries, and some parts of the United States have tried them with success.

The editorial ends by stating:

> The principle of regionalism has to be applied here with the massive investment and the tax concessions that will change the standard of living of the whole area.

May I also point out that there is growing concern in the Atlantic provinces that as a result of actions taken to date by the present government we are going to fall behind to an even greater degree than has been the case in the past. Only recently we lost in effect $100 million in business with the cancellation of the frigate program, in that no alternative program was made available to the people of our area. It is estimated that for every $1 million of shipbuilding business made available employment is provided for 150 to 160 people. That means that the cancellation of

the frigate program has in effect eliminated the possibility of jobs for 15,000 to 16,000 people in our area.

Ours is not an area that can take that kind of blow. Ours is not an area that can look forward with any satisfaction to a decrease of investment in our economy. During the debate on the amendments to the Atlantic development board bill we heard what great things the $100 million fund would do for our area. We were told it would revitalize the economy of the Atlantic area. What are we to anticipate now, when we find $100 million in shipbuilding taken away from our area and then are faced with the subsequent announcement that new submarines for our navy are going to be purchased outright from another country?

This is no alternative to shipbuilding plans in the Atlantic provinces. This is no alternative to high unemployment in our area. This is no example of steps that are going to revitalize the economy of our Atlantic provinces. There are many more examples of similar treatment that we have received since this government took office.

This bill may help to undo a great deal of the damage that has already been done by the government. This bill has inherent in it possibilities for attracting new industry. I might say that the government of Nova Scotia, with its able premier, Robert Stanfield—

**An hon. Member:** Who?

**Mr. Coates:** My hon. friend says "who" and I can understand why. He and a few of his Liberal friends would not know Premier Stanfield. They would have no idea who this man is who recently won 39 of 43 seats in that province. That is probably one of the reasons the Liberals received the beating they did. They are so out of touch with things in Canada today and in Nova Scotia particularly that they do not even know who the premier of Nova Scotia is. Certainly they do not have to be concerned, because the people of Nova Scotia know who he is and they know how to look after him because of the policies he has put into effect and because of the manner in which he has looked after the people of Nova Scotia. If only this government would take some of the same farsighted action he has taken, the hon. member and his colleagues from Nova Scotia would be in a far better position than they would be today if an election were called.

**An hon. Member:** What about the last six years?

**Mr. Coates:** What about the last six years? The last six years in the Atlantic provinces have been six years of progress. It is only in the last six months that we have stopped progressing and have started to go backward again. Ask the Solicitor General (Mr. MacNaught) who must have had to put up a tremendous battle recently. Thanks to the assistance he received from the two members from Queens the air base is going to remain at Summerside. Can you imagine a government, Mr. Speaker, even considering for a moment the elimination of an air base that is an integral part of the economy of Prince Edward Island? With a representative in the cabinet I could not imagine it. Certainly it is not the type of treatment that the Atlantic provinces received from the former Conservative government.

**Mr. Olson:** On a point of order, Mr. Speaker, may I say I think the last remarks of the hon. gentleman were out of order but the point of order I wish to raise is far more important. After having studied some of the clauses of the bill I believe it provides for the appointment of additional government officials and therefore it is out of order for a private member to introduce such a private bill. I refer you, Mr. Speaker, to page 2093 of *Hansard* of July 11 last where the Speaker quoted Mr. Speaker Michener as having said:

> Before calling on the hon. member or recognizing the hon. member, may I say that I feel it to be my duty to draw the attention of the house to the fact that this bill has some of the characteristics of a money bill or one that requires a resolution. I therefore feel that if the debate proceeds I should at least indicate the possible difficulties with a bill of this kind so that it will not be taken as a firm precedent for similar legislation.

On July 11 the Speaker went on to say:

> On May 17, 1918, Mr. Speaker Rhodes decided that a motion to amend a bill to provide for the appointment of additional government officials was out of order as it involved an increased grant of public money.

This can be found in Beauchesne, third edition, page 439. As found on page 2094 Mr. Speaker went on to quote Mr. Speaker Casgrain as follows:

> When money is voted, the main conditions imposed on its expenditure are embodied in resolutions. All the circumstances concerning its destination form part of the appropriation with which they are considered and if any alteration is to be made it must be by the same process as the original resolution.

And still further, Mr. Speaker, and this is extremely important:

> —the circumstances under which an expenditure is to be made are indivisible from that expenditure.

This quotation is taken from Mr. Speaker Casgrain, February 21, 1936. On July 11 last the Speaker went on to quote him as saying:

> I am therefore of the opinion that the proposed measure has all the earmarks of a money bill and cannot be introduced by a private member. I declare it out of order.

I draw this point to your attention, Mr. Speaker, for the purpose of being consistent with respect to which private members bills are going to be permitted and which ones are going to be ruled out of order. Several times during this session private members' bills have been ruled out of order because of the fact that "the circumstances under which an expenditure is to be made are indivisible from that expenditure". I think the house is seized—has accepted the Speaker's ruling on a number of occasions that any private member's bill or any public bill sponsored by a private member that involves the expenditure of money either directly or indirectly is out of order. As long as that ruling has been made with regard to some of the bills that have been brought forward I think we have to apply it to all of them.

**Mr. Aiken:** Mr. Speaker, with regard to the point raised by the hon. member may I say he used one word near the end of his remarks with which I agree when he said that the house is seized of this bill. I believe that is exactly the case. The bill has been called, it has been introduced, the sponsor has made his speech on it and half of the hour allotted for discussion of this bill has now passed. It seems rather late to raise an objection to the validity of the bill at this time. I would suggest that such a question should have been raised at five o'clock when the bill was called.

**Mr. Olson:** Out of courtesy to the hon. member who introduced the bill I wanted to hear his introductory remarks. While I was reading some of the clauses it became abundantly clear to me that in clause 5 there was provision for the setting up of a board and that no one could read the bill and honestly say to himself, after having read its provisions, that no expenditure of money would be called for by the federal government. As I have pointed out, it is certainly out of order for a member to sponsor a bill that involves any kind of public expenditure.

**Mr. Coates:** Mr. Speaker, I join with my colleague, the hon. member for Parry Sound-Muskoka (Mr. Aiken), in saying that if there was any objection it not only should have been raised before the debate started, but should have been raised some time ago. This bill has been on the order paper in successive sessions of parliament. It was debated in the house in 1961 and it is being debated today. Certainly the law officers who peruse these bills must have determined some time ago that there is no conflict here, that the bill is in order and should be debated in the house.

**Mr. Moreau:** Before the debate is allowed to go on, a ruling from the Chair as to the propriety of this debate should be made.

[Mr. Olson.]

**Mr. Lambert:** With the greatest deference I feel that, notwithstanding the caveat of His Honour when the bill was introduced and read for the first time that they would be reviewed at the time of second reading as to whether they are acceptable or not acceptable, the fact that the bill was called and allowed to proceed on second reading indicates that it is acceptable. To raise the matter some 20 minutes after debate has proceeded seems to me to be going about this in the wrong way.

**Mr. Olson:** I do not think that argument holds water, because item No. 4, which has been on the order paper since May 20 calls for a parliamentary proctor, and this is exactly the same type of bill which was ruled out of order when called on July 11.

**The Acting Speaker (Mr. Batten):** With reference to the point of order which has been raised I have serious doubts as to the legality of the bill. It is true that when the industrial development bank was constituted it was not preceded by a resolution. However the Bank of Canada, which subscribes to the shares of the industrial development bank, was itself incorporated in 1934 by an act which was preceded by a long resolution. Furthermore, the last time the Industrial Development Bank Act was amended, as set out in chapter 50 of the statutes of 1960-61, the amending bill was preceded by a long resolution which began with the words:

> That it is expedient to introduce a measure to amend the Industrial Development Bank Act to enlarge the classes of loans that may be made under the act so as to include therein all business enterprises without limitation of the kind of business carried on—

In Bill C-29 now before the house there is provision to allow the bank to make grants or loans toward providing basic services and toward the establishment or assistance of an industrial enterprise. Furthermore, there is provision that the bank may make grants or loans in an area of persistent high-level unemployment and to relax their restrictions at the bank's discretion as to the type of enterprise and conditions of assistance. If it were thought necessary in 1961 that the measure to amend the act so as to enlarge the classes of loans which could be made should be preceded by a resolution, I am not sure that a similar measure could now be introduced by a private member in a different manner. It is true that in 1961 there was also an increase in capital from $25 million to $50 million; also an authorization to increase the borrowing authority of the bank, and other provisions. To say the least, this is a borderline case, but since the discussion has already started I will authorize a discussion of the bill. But I must indicate the

possible difficulties that a bill of this kind will present and that the same bill will not be taken as a firm precedent for similar legislation. I would consider it proper for the discussion, since it has started, to continue.

**Mr. Coates:** Since a good deal of time has been taken up on the point whether or not the bill is in fact in order, I do not intend to spend much more time discussing the possibilities which will be available in the Atlantic provinces if the bill is accepted and passed by the house. But I would urge upon hon. members to consider the intention of the bill and the fact that interest free loans are available to industries if they locate in areas of high-level and chronic unemployment, and to give every possible assistance in order to try and establish many industries in the Atlantic provinces as is possible through the very broad incentives available through this bill.

**Mr. J. E. Lloyd (Halifax):** Mr. Speaker, I rise to speak against this proposed measure, but before doing so I wonder whether the hon. member who proposed the bill will inform the house who introduced a similar bill in 1961. Would he answer that question before I proceed?

**Mr. Coates:** Well, I suggest to the hon. gentleman that he pick up *Hansard* for 1961 and read it.

**Mr. Lambert:** On a point of order, Mr. Speaker, the hon. member for Cumberland (Mr. Coates) having resumed his seat cannot rise again with Mr. Speaker in the chair to answer questions. I think the hon. member will realize that.

**Mr. Lloyd:** It is not essential to my comments, except to observe that the hon. member did mention that a similar bill was introduced in 1961, which was then in order. It therefore surprises me that no action ensued during the period of time when the party of which he is a member sat on this side of the house.

Now, Mr. Speaker, when I examined this bill I intended to be somewhat analytical of its contents. It was my purpose to discover, if possible, something useful to the Atlantic provinces in this proposed bill. I prepared myself to see whether in some way we could salvage some progressive steps to be taken in the interests of the well-being of the economy of the Atlantic provinces. I fully expected that the hon. member who sponsors the bill would in due course present some comprehensive arguments in support of it. I regret, Mr. Speaker, to have to say on this occasion that I found very little or nothing by way of constructive criticism of the economy of the Atlantic provinces which resolved itself into a constructive proposal presented in a bill. I did listen to a long dissertation on the capability of the hon. member to produce a bill by way of contrasting the program of the government of today. I find it rather difficult to believe, however, that any member of the house would be persuaded by such a spurious argument. I am sure the hon. member recognizes that the economic problems of Canada are very challenging ones, no matter where one lives, whether in the Atlantic provinces, in Ontario, on the west coast, or in the Northwest Territories about which we were speaking a short time ago.

If there is any doubt in anyone's mind about this, perhaps some reference to comments appearing in the *Telegram* for Thursday, November 7, might drive the matter home to all of us. The editorial is headed "Automation" and goes on to say that—

> —automation and other rapid technical changes hang over the economy like a cloud. Whether they will bring lush production and widespread human benefit, or unleash forces that disrupt and erode present patterns of human welfare, will depend on how well we prepare the ground for them in advance.

Now, Mr. Speaker, this bill is a very feeble effort to provide a tool for the government to meet the challenge expressed in this editorial. On the contrary, the hon. member was more concerned about eulogizing a recently elected provincial government than he was in attending to his duties as a present day member of this house. He made reference to the cancellation of a frigate program and referred to $100 million. His degree of accuracy is certainly open to question because, as I understand it, these particular vessels would not exceed more than $40 million each, and the greatest expectation in Nova Scotia was that they would be allocated one. Then there are the off-site problems—

**Mr. Muir (Cape Breton North and Victoria):** How many frigates could there be in the Atlantic provinces?

**Mr. Lloyd:** We could have two, but if I said the Atlantic provinces I am sorry. There would be one in Nova Scotia. So that would make two, involving $80 million.

**Mr. MacInnis:** Mr. Speaker,—

**The Acting Speaker (Mr. Batten):** Is the hon. member rising on a point of order?

**Mr. MacInnis:** The hon. member for Halifax (Mr. Lloyd) just referred to the hon. member for Cumberland (Mr. Coates) as eulogizing the premier of the province of Nova Scotia. I think it is quite clear to all hon. members that it was in answer to a question from one of the Nova Scotia members as to who Mr.

Stanfield was, and the hon. member was only providing him with the necessary answer.

**Mr. Lloyd:** May I say that my partisanship does not extend to the point where I refuse to acknowledge the abilities, the capacity and the objectivity of the premier of Nova Scotia. I am not as narrow in my partisanship as that.

**Mr. MacInnis:** Would the hon. member permit a question?

**Mr. Lloyd:** I think I must advise the hon. member that after I have finished my remarks I shall be glad to answer any questions he may have.

**Mr. Muir (Cape Breton North and Victoria):** Do not be eulogistic, then.

**Mr. Lloyd:** I have been advised I should not eulogize. I shall attempt to restrain myself in that direction.

I think the motive behind this bill is a sincere one. I believe the intention is to focus attention on the serious economic needs of the Atlantic provinces. It is a matter of keeping constantly before this house the need to devote the attention and resources of the government to the development of those provinces. However, if the hon. member's motives are sincere, the remedy he proposes is a feeble one. I think the bill itself only confuses the present situation because the government of the day has already taken measures which largely serve the purpose he has in mind. The national economic council, proposed by this government, recognizes the challenge expressed in the editorial on the subject of automation which I read a few moments ago.

**Mr. Douglas:** When are you going to appoint it?

**Mr. Lloyd:** As rapidly as possible, and more rapidly than the hon. member got round to doing things when he was premier of a province.

**Mr. Robichaud:** And with more success, too.

**Mr. Lloyd:** I thank the minister for that observation. However, I see the hon. member for Burnaby-Coquitlam is greatly concerned about the early appointment of members of an economic council. He believes the government is right in setting up such a council. He thinks the government is taking a wise step and he wants to see it accomplished at the earliest possible date. We agree with that, but "early" is a relative term. It is a term which has relation to the processes of this house and to the way in which it operates—a process to which some of the newer members are only now becoming accustomed, not without a certain degree of frustration, because some of us recognize that there should be some way of speeding up what might be referred to as our activity. We certainly think we should proceed with all possible speed to set up this economic council. It represents a basic step toward meeting the challenge of providing better economic housekeeping in Canada in the years ahead.

**Mr. Douglas:** It will not provide one dollar, though.

**Mr. Lloyd:** The next measure for which this government is responsible is the setting up of the Atlantic development board.

**An hon. Member:** Plenty of dollars there.

**Mr. Lloyd:** In addition, I am sure the amendments to the Income Tax Act must have been comforting to the directors of Industrial Estates of Nova Scotia. The president wrote to me recently indicating that this amendment would prove of great value in the establishment of secondary industry in Nova Scotia, at least. I am sure the same would apply to the province of New Brunswick. The decision makers in industry—I am thinking about them, now, not about the people who only speak in the House of Commons, but the men who have to take risks with their capital and the capital of shareholders given in good faith—appreciate that these amendments do offer attractions to encourage secondary industry to locate in the Atlantic provinces. These are some of the bold measures which the hon. member said we needed—though I notice he did not suggest anything except this somewhat feeble bill; I am even doubtful whether it is in order or not.

I have already mentioned the hundred million dollar fund for the Atlantic development board. I should like to mention another matter, namely the organization of the government and the redistribution of seats.

**Mr. MacInnis:** On a point of order.

**Mr. Lloyd:** If hon. members consider the elements of the government's program as it was presented in the speech from the throne, they will see that great benefits are bound to follow from the aggregate of all these steps which have been taken and which are to be taken. I think they will find the government has supplied the answers to the economic needs of the Atlantic provinces.

**The Acting Speaker (Mr. Batten):** Does the hon. member rise on a point of order?

**Mr. MacInnis:** Yes. I am surprised I have been recognized. In addition to being out of order in his remarks, the hon. member for Halifax is out of order with regard to the position he occupies in this house at the moment.

**Mr. Lloyd:** I realize it is difficult for some members to place any value on anything this government proposes, and that it is hard for them to comprehend some of the measures which have been prepared to overcome the difficulties which this bill feebly proposes to meet.

**Mr. MacInnis:** The hon. member for Halifax (Mr. Lloyd) points out it is difficult for members on this side to comprehend his position. That is precisely my point of order. He is speaking from somebody else's seat.

**Mr. Lloyd:** That is one of the things I have to learn in the house. I have seen people perform in a variety of ways. I have seen them turn their backs and put their hands out. I have seen them strip the backs from their earphones. I have seen them stand, raving, at the end of the aisle without objection being taken.

**The Acting Speaker (Mr. Batten):** I must remind the hon. member that one of the rules of the house is that when the Speaker is in the chair members must sit in their own places. I hope we can get on with the discussion of Bill C-29.

**Mr. Lloyd:** The opportunity to speak in this house is a greatly valued one. It will not be too difficult to abide by the rules and I regret if I have violated them by stepping a few inches aside. I hope this rule will be observed by all members of the house in future and, of course, I shall be ready to speak to a point of order should the occasion arise.

To sum up—

**Some hon. Members:** Oh.

**Mr. Lloyd:** The argument against the bill is a simple one. The government has now taken measures which render Bill C-29 unnecessary. It has taken the measures that are called for to provide the government with the tools it requires to attend to the problems of areas such as the Atlantic region. As I say, the bill reflects a sincere desire to draw attention to the needs of the Atlantic provinces, but beyond that it is without merit.

**Mr. Robert Muir (Cape Breton North and Victoria):** My remarks will not be too long. I see it is five to six.

**An hon. Member:** They won't be.

**Mr. Muir (Cape Breton North and Victoria):** I will conclude very quickly, probably before I even get started, in order to give hon. members an opportunity to vote for this bill.

Incidentally, before I commence these few remarks, I must say that I was actually astonished to hear the remarks of the hon. member for Halifax, the one with the blonde hair. He took exception to this bill, in spite of the fact he is one of those who genuflect and worship at the feet of the Secretary of State for External Affairs (Mr. Martin) and the Minister of Fisheries (Mr. Robichaud), who were so loud in their praises of this bill when it was last before this house. They certainly did not see anything wrong with it then. It seemed to be in order, and seemed to be a wonderful thing.

In any event, as the representative from Cape Breton, which incidentally is the industrial heart of Nova Scotia and indeed the industrial heart of the Atlantic provinces, I am naturally very interested in the bill and the laudable objectives that would be achieved by its passage. As I have attempted to show, there should not be any difficulty about having this bill accepted by the present administration, because on March 24, 1961 when a similar bill was before the house, the present Minister of Fisheries said he was rising to give his wholehearted support to the bill which had been introduced by the hon. member for Cumberland (Mr. Coates). At the same time, the hon. member for Essex East (Mr. Martin), now the Secretary of State for External Affairs, supported the principle of the bill.

As has already been mentioned, the Atlantic provinces economic council has already requested that the whole Atlantic area be a designated area in order that industry may be attracted to the area. I suggest, too, that the passage of this bill would be a help. There are many other things that I should like to say concerning the bill, but because of the time consumed by the verbose member for Halifax my time is limited and I am unable to say all that I should like to say. I do want to see this measure brought to a vote and I want the members from the Atlantic provinces, regardless of their affiliation, to participate in the vote on this measure. After all, we are all from the Atlantic provinces and interested in what is good for the Atlantic provinces, whether we are Liberals or Conservatives.

Before resuming my seat I want to compliment the sponsor of the bill, as the hon. member for Halifax has done in some sort of way. Incidentally, someone has said, who is Stanfield? Well, he is the guy who left only three or four Liberal seats in Nova Scotia for seed, but let me assure the hon. members for Halifax that seed will not be fertilized for many years to come.

**An hon. Member:** You are going to talk it out.

**Mr. Regan:** Would the hon. member permit a question?

**Mr. Muir (Cape Breton North and Victoria):** Yes, but do not be too long.

**Mr. Regan:** Would the hon. member indicate to the house whether or not he feels a bill of this type is still necessary and would still have all the beneficial effects that he has conferred on it, in view of the fact that the Atlantic development board has now been granted $100 million and has been made an active, efficient organization through the enlargement of its membership. In view of all these things does the hon. member now feel—

**Mr. Muir (Cape Breton North and Victoria):** Yes, I certainly do feel, Mr. Speaker.

**Mr. Regan:** —that there is any need to go ahead with this measure at this time?

**Mr. Muir (Cape Breton North and Victoria):** I certainly permitted a question when one of your colleagues did not. This government has given with one hand and taken away with the other all the good that was done by the Diefenbaker government in the last six years.

**An hon. Member:** Six o'clock.

**Mr. Muir (Cape Breton North and Victoria):** It is half a minute to six. I am sure we will recall that it was the member for Halifax who killed this bill.

**The Acting Speaker (Mr. Batten):** Order; I must advise the house that the hour for consideration of private members' business has expired.

**Mr. Rheaume:** I rise on a question of privilege, Mr. Speaker. This afternoon, during the discussion of the Northwest Territories bill—

**An hon. Member:** Six o'clock.

**Mr. Rheaume:** —I stated that the Leader of the Opposition (Mr. Diefenbaker), the prime minister of that day, had made a commitment to the Liberal association to have the subject matter of the bill considered by a committee of the house. The commitment, in fact, Mr. Speaker—

**The Acting Speaker (Mr. Batten):** Order; I fear the hon. gentleman is not raising a question of privilege.

The business at seven o'clock will be the consideration of the estimates of the Department of Labour. Would the house agree to going into committee now?

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

[Mr. Regan.]

**The Deputy Chairman:** It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

**The Chairman:** Order. I understand the hon. member for Northwest Territories would like to raise a question of privilege.

**Mr. Rheaume:** Mr. Chairman, this afternoon in the course of the discussion on the Northwest Territories bill, I misinformed the house when I stated the right hon. Leader of the Opposition, when prime minister, had made a commitment to the Liberal association of the north to have the subject matter of the bill submitted to a special committee of the house for consideration.

The commitment in fact was made to mayor E. R. Horton of Yellowknife, and in his capacity as mayor of Yellowknife rather than in his capacity as an officer of the Liberal association. The letter referred to reads as follows:

Ottawa, February 1, 1963.

Dear Mr. Mayor:

I know my colleague, the Honourable Walter Dinsdale, has been in touch with you in regard to the same matters as you raised in your letter to me of January 10th. I am informed that the Northwest Territories council favours Fort Smith for the capital of the proposed new territory of Mackenzie when it is organized.

However, I have noted what you have said in your letter and would think that when the legislation is brought in, arrangements could be made to receive the views of any interested groups in regard to the questions of the capital and such other matters as may arise.

I am,

Yours sincerely,
John G. Diefenbaker

DEPARTMENT OF LABOUR

1. Departmental administration including grants as detailed in the estimates and the expenses of the international labour conferences, $1,290,400.

**Mr. MacEachen:** Mr. Chairman, in introducing the estimates of the Department of Labour I should like to make as brief as possible a statement on the work of the department. Members of the committee will realize that in the course of this session labour matters have received quite exhaustive treatment, and that the opportunities which have been provided on two supply motions, and in the debate on the trusteeship legislation, will not make it necessary for me to enter into the detail that might be necessary in the absence of these other opportunities.

On Tuesday of this week the house as a whole had an opportunity to deal with quite

a number of matters relating to the Department of Labour. It will be my endeavour not to duplicate what was said on that occasion. I will confine my remarks to putting to the committee some views on the activities of the department as a whole. Last Tuesday I told hon. gentlemen that when introducing my estimates I would make a general statement with respect to the Minister of Labour's responsibilities in connection with employment and unemployment.

I think that in the house, and elsewhere throughout the country, the Minister of Labour tends to be held responsible, sometimes one would think exclusively, for the problems of employment and unemployment, and I thought I might indicate my conception of the role of the minister in this important field. First of all, I would suggest that the Minister of Labour has the responsibility for reporting to the House of Commons on the level, character and source of unemployment.

He also has a primary responsibility, working with other groups, for the development, adaptation and efficient utilization of manpower resources, and effective measures of this kind can contribute to the promotion of employment and to the prevention or reduction of unemployment. In addition the minister and his department can help contribute to this reduction or prevention by encouraging short run measures to create employment opportunities. These are clearly responsibilities which fall mainly on the Department of Labour.

To move to a broader sphere, it must be understood that so far as unemployment results from a failure of demand to employ fully all available and qualified labour supplies—and this is the case to some extent today—the Minister of Labour's responsibility for the level of unemployment, so far as the federal government is concerned, is shared with his colleagues. Primarily, responsibility for government action to stimulate demand sufficiently and to promote long term economic growths, rests with the government as a whole.

Several major government measures to help stimulate the economic growth of the country have already been discussed in the House of Commons. Opportunities arising from the minister's primary responsibilities in relation to unemployment and economic growth involve the training and development of the nation's youth to meet the requirements of the economy, the upgrading and training of the labour force to meet industrial and economic change, and the development of measures to create more employment opportunities at specific periods such as the winter, when seasonal unemployment is high.



The young people now in our educational and training systems will need to be equipped for the rapid changing conditions characteristic of the Canadian economy in an age of technological and industrial change. This will involve continuing assistance by the federal government to support the provinces in developing technical training programs for youth and adults. This is a necessary form of investment as an integral part of the process of economic growth and employment creation. A well trained and adaptable labour force not only is a necessary element of growth but also plays a role in stimulating growth itself.

Rapid economic and technological changes today require great ability on the part of employed workers to adapt and adjust in order not to be replaced as their skill and educational levels become inadequate. If the labour force is not upgraded and adjusted to changing employment requirements, a greater volume of structural unemployment will accumulate. Therefore active programs in cooperation with the provinces are essential ways to upgrade the employed, and the training of the employed labour force to facilitate its adaptation to technological change. Seasonal unemployment will continue to push up total unemployment in Canada, particularly in the winter months, and there is scope for further governmental action in this field. Similarly cyclical unemployment will continue to be a problem and will require short term direct action to create employment in slack periods. The formulation and execution of manpower and development programs of these kinds clearly require a close working arrangement with other government departments and agencies on all levels and with non-governmental groups. Similarly, the Department of Labour must maintain a close consultative relationship with these public and private agencies and develop those aspects of government economic and social policy which have an important bearing on employment and manpower resources.

Finally, the Minister of Labour has important statutory responsibilities for carrying out research and current analyses of manpower development, employment and unemployment in the Canadian economy. These include undertaking research and presenting appropriate information and observations designed to assist in the formulation of government policy in this area. It also involves informing the public in an objective manner of current and future labour market and employment developments.

I should now like to turn to a number of specific activities for the current fiscal year. The committee will be asked to provide $220,831,000 in the main estimates, $47,967,000

in supplementary estimates A and $60,650,000 in supplementary estimates D. Of this total the Department of Labour itself requires $225,998,000 and the unemployment insurance commission $103,449,000. The combined figure for the Department of Labour and the commission represents a decrease of approximately $30 million over the 1962-63 main and supplementary estimates. In referring to the 1962-63 estimates I should point out that the final supplementary estimates for 1962-63, which totalled $62 million, are not shown on page 176 of the blue book which hon. members have before them. These supplementary estimates were released after the main estimates were printed.

I should also like to bring to the attention of members of the committee a reduction which I think is possible under item 30 of the main estimates. This item can be reduced by $5,000. Instead of requesting $525,700 as appears in the printed estimates, a careful review of our cash requirements indicates we shall require $520,700. This reduction of $5,000 is to be made in the primary vote, payments to provinces pursuant to federal-provincial farm labour agreements, which appears on page 183 of the details of services.

A word about administration. The first vote covers the costs relating to the general administration of the Department of Labour, international affairs and the women's bureau. Item 5 in the estimates makes financial provision for the activities of the economics and research branch. Research in the Department of Labour plays a key role in illuminating the complex manpower and industrial relations problems which we face and in providing a sound, factual basis in the development of programs and policies. The branch is the central federal agency for analysis and research in the labour field. It conducts major surveys and studies of wages and working conditions, union organization, collective bargaining, professional manpower and employment and unemployment. The results of these studies are made available not only to the government but to labour and management groups, to international agencies and to the public generally through the *Labour Gazette* and the many special reports and publications issued by the branch.

In its activities the economics and research branch is to an increasing extent developing studies of departmental programs such as municipal winter works and training of the unemployed in order to assist in evaluating their effectiveness in helping to improve job creating potential.

I would ordinarily have a great deal to say about the industrial relations activities of the department, especially in an effort to provide a current review of major industrial relations problems, but in view of the rather full discussions we have had in the house, particularly in connection with the longshoremen's strike and the developments on the great lakes, it may be that it would be possible for me to allow members of the committee to ask specific questions with respect to the activities of the industrial relations branch.



It might be of interest to members of the committee to learn that an encouraging report has come out of Chicago today with respect to the possibility of restricting or eliminating the picketing of Canadian ships at that port and elsewhere. I am informed that the labour relations board of the United States has held discussions with the labour bodies in that country, especially the S.I.U., and that there is a strong prospect that some success will be had in overcoming the picketing in the port of Chicago and elsewhere. I do not have all the details nor a complete picture of the situation, but I thought I should indicate to the committee that there is at least an encouraging indication this afternoon with respect to this continuing problem which has exercised the attention of members of the House of Commons for some months now.

If I may refer to civilian rehabilitation, because of the relative newness of this program, item 25 of the estimates provides for the financial needs of the civilian rehabilitation branch which administers the provisions of the Vocational Rehabilitation of Disabled Persons Act. This act came into effect on April 1, 1962. New federal-provincial agreements under the act have been signed with nine provinces. Under this legislation the branch co-ordinates the activities of federal government departments and assists provincial governments as required in the establishment, development and operation of the national rehabilitation program for disabled persons. The branch collects and disseminates information regarding rehabilitation methods and services and maintains liaison with the provincial authorities, voluntary agencies and professional associations regarding rehabilitation services for the disabled.

Through the program an increasing number of disabled Canadians are being enabled to lead more useful and satisfying lives independent of public assistance or financial help from relatives. In the past few years the program has restored almost 10,000 disabled Canadians to usefulness. This group and their 6,300 dependents were costing annually more than $6½ million for support. Collectively they now earn almost $18 million annually. In the period covered, without the benefit of vocational rehabilitation services they would have cost almost $24½ million. Instead they have

earned more than $63 million in that period.

Earlier in the week I covered a large number of the special programs of the Department of Labour, including the municipal incentive winter works program and other new programs, and unless hon. members wish to ask questions I have no intention of holding up the committee by a discussion of items that have already been covered recently, especially this week.

Items 35 and 40 of the main estimates can be dealt with together because they provide for the technical and vocational training programs. These are well known programs in which hon. members have taken a very keen interest. Hon. members will have noticed that there is before us on the order paper a resolution providing for certain changes in the program with respect to capital costs and the contributions made by the federal government for the training of the employed and the training of the unemployed, and because the house as a whole will have an opportunity to go into these particular programs in detail when the resolution and bill come before it. I do not intend to go into detail in my statement. I would be pleased however to answer whatever urgent questions hon. members should like to ask this evening. I do not pass over discussing this matter in detail because of any lack of regard for its importance, but simply because hon. members will have an opportunity later to deal in detail with all these matters as they debate the resolution and the bill.

There is nothing further I wish to add in making my opening statement to members of the committee, because we dealt with so many programs of the Department of Labour earlier in the week that it might be better for the minister, in the interests of time and economy, to set a good example and not take any longer this evening in opening the debate.

**Mr. Starr:** Mr. Chairman, my remarks in respect of the estimates of the labour department will be somewhat similar to those made by the Minister of Labour, because it is our intention to pass these estimates without any undue delay, although with careful examination. I only hope there are no obstructions from the government side in the expedition of these estimates, because I noticed as recently as last night that the minister of northern affairs, who had his estimates before the house, managed to talk them out and did not get them passed.

The Minister of Labour said that unemployment was dealt with exhaustively on Monday and Tuesday on the motion to go into supply. It is not our intention to deal tonight with this subject, because it was discussed on Monday and Tuesday, but I do not agree with him that it has been gone into exhaustively. There will be ample opportunity, either in this session or the following one, for unemployment to be gone into exhaustively by the opposition.

At this time I should like to say that in my opinion, and in the opinion of other hon. members of the official opposition, the passing of supply is probably the most important business of the house. It is necessary that money be voted for the running of the country, and at times we find that other business comes before the consideration of supply. I think this is a mistake and I am sure the government will try to correct the error.

I do not intend to question the items listed in the estimates because I had some small part in their compilation, but I do want to make some remarks about certain matters which I noticed when I had this portfolio. The labour department has been considered in the past a poor cousin of all other governmental departments, but in the last five years or so I think its prestige has risen tremendously, until it now ranks as one of the most important departments of government administration. When I became minister of labour we had a yearly budget of something like $26 million, but it has risen to ten times that amount, simply because the labour department took on the responsibility of capital projects to help alleviate the unemployment situation, particularly during the winter months.

The minister made some remarks to the effect that he should not be responsible for the unemployment situation. I do not want to go into past history, but it is strange how one's attitude can change when responsibility rests on one's shoulders. I am glad to hear that this attitude has now been adopted, because when I was minister for some five and a half years it seemed to me as though I was a target for the unemployment situation by hon. members now on the government side, when they were in opposition.

The Minister of Labour mentioned that short term measures can be taken by the labour department to deal with unemployment during the winter months. This is entirely my idea, because during my term of office the labour department took many short term measures to deal with the situation. The minister also mentioned that during the winter months the seasonal aspect of unemployment will rise again, and has a tendency to raise the percentage of the unemployed over the whole year. While I agree with him entirely, this is exactly the sort of thing I tried to point out to the opposition when I was minister, but they paid no heed and treated the matter as though it were a year-round situation. However, there is a change

of attitude when you have responsibility, as I can readily understand, and I hope when the hon. member and his colleagues are back on this side of the house they will remember that burden of responsibility.

As I mentioned before, in the last five years the labour department has become one of the most important departments in government administration. I say this not because the departmental heads are in the gallery but because it was a great privilege to work with such a fine group of departmental officials. They were most helpful and one certainly does not need to prod them into action. I think they accept responsibility willingly and with enthusiasm. During my five years of office we took on some large programs, such as the technical and vocational school building program, municipal winter works and the stepping up of a "Do it now" program which certainly has considerable merit. The training of the unemployed is, I think, one of the most important areas to which we should put our minds in order to help bring employment to the country. When I was told that 70 per cent of our labour force attained only grade eight education or lower it was an appalling shock to me. It was evident then that we should provide facilities and proper training for the labour force, simply because jobs available nowadays require 70 per cent skilled labour and 30 per cent unskilled. This 30 per cent is growing smaller each year, and consequently we must measure up to the demands of labour and endeavour to provide the necessary trades and skills demanded today.

Automation is another area, and it is interesting to recall that a study was made of this question, not only in Canada but in the United States. We should be very conscious of the fact that in Canada automation may be replacing workers at the rate of 2,500 people per week. Consequently we should take some steps to remedy that situation. It is regrettable that the government has not seen fit to put forward the bill which we had on the order paper dealing with manpower adjustment and automation. The government is going to deal with this matter by agreement. I feel that if they are to do this they should call a national conference of labour and management. I think you have to "sell" a program to people who are going to participate in it. You have to generate enthusiasm for it among those who will benefit as a result. It is not enough just to sign an agreement with the provinces and have so much money available for this program from the federal treasury. I think you have to "sell" the program in one way or another. I regret that this bill has not been put forward again, because I think it would have sold this idea to those who would benefit from it. Even though the government has decided that the problem should be dealt with through agreement, I suggest to the minister that he consider holding a conference of employers and employees in order to discuss the merits of such a proposal.

With regard to industrial relations, this section of the department has always been very interesting to me. It is exciting, in that you deal with disputes in the country. I want to remind the committee that for the past six years now we have had no disruption of our national transportation system, and in this regard I think a great deal of credit must go to the head of the industrial relations department and his officers throughout Canada for their efforts to bring about this situation, or to at least hold the situation without suffering a further disruption. I might mention that during my term of office we had two very difficult situations to settle. One of these was concerning diesel locomotive firemen on freight and yard operations.

It had to be done in two stages, first on the Canadian Pacific and second, on the Canadian National systems. This was done successfully and without disrupting our transportation system. If we look across the border we find the same situation has been dragging out there for well over a year, possibly for two years, and that no settlement is in sight. A great deal of credit should be given for this. In the annual report of the department, mention is made of the settlement of a dispute involving 110,000 non-operating employees of the railway. For the first time in history the recommendations of the conciliation board were unanimously adopted. This was a historic occasion because, ordinarily, it is not done. I hope this is an indication of things to come and that from now on there will be an understanding that the report of the conciliation board shall be adhered to by both sides without the government being asked to deal with these questions. I think this is a matter for the parties concerned, and it is up to them to devise a system by which they can reach agreement.

I said earlier that training of the unemployed was most important. We took steps in 1960 to give an impetus to training of this type. If I remember correctly, the number of those trained in 1960 was 4,000. At the end of 1962, because of the impetus we had given to this program, the number had risen to 138,000. That is still not enough but it is certainly an improvement on the figure for 1960—almost ten times as many. This program should be continued so as to provide proper training for those who need to learn new skills.

The municipal incentive program, a new program which is only in its sixth winter, is a worth-while program. I shall not deal with it at any length except to read from the annual report, which says:

> The municipal winter works incentive program during the 1962-63 winter provided an estimated 6,170,000 man-days of on-site work for an estimated 145,200 men. The previous winter's program had provided 5,870,000 man-days work for 147,700 men.

So this is a good program even though it was originally criticized. I went into some detail in respect to it during the debate on Monday and Tuesday. These are all the remarks I wish to make with respect to the estimates at this time. As I said earlier, I hope the government co-operates in getting these estimates passed as quickly as possible, the usual care being given to the expenditures involved.

**Mr. Orlikow:** The minister made such a good beginning in helping to settle the longshoremen's dispute, and then in getting legislation passed with respect to the seaway union, that I was really disappointed by his introduction to the estimates of his department tonight. Gone are all the speeches in which we were told what the government was going to do to solve the unemployment problem. Gone were the promises we heard for so many years about what the Liberal party and Liberal minister would do for labour. We gather tonight, from what the minister had to say, that all he has to do is to administer a department which is doing everything necessary to meet the situation.

I intend to refer to certain measures which are badly needed and to which no reference was made tonight. We need some major changes in our labour legislation. We need some major new acts, some of which members of the Liberal party, when they sat on this side of the house last year, indicated they were ready to support. We hoped the government would bring in this legislation. I certainly hope the minister would give some indication about his intentions tonight. For example, this country needs a new fair wages act providing for union wages and conditions on all government contracts, covering both prime contractors and subcontractors. We need a maximum work week act providing for a 40-hour week. I am told that in 1919 spokesmen for the Liberal party promised to bring in a maximum work week act. Well, a long time has gone by since then but still no action has been taken. We need a national minimum wage act providing for a minimum wage of $1.25 per hour. Last year members of this group introduced a bill on these lines. It received support from the Liberal party of that time, but there is little indication of any action being taken on it by the government in the near future. We need an amendment to the holidays with pay act. This proposal, again, received support from hon. members opposite last session. We should like to see the government proceed to bring in such amendments. We need amendments to the provisions of the Criminal Code which deal with the right to picket. We need amendments to those parts of the code which deal with trespass.

We also need real amendments to the Industrial Relations and Disputes Investigation Act. Workers in Canada, under the protection of this act and under the protection of the various labour relations acts in the provinces, are guaranteed the right to join trade unions. Employers are forbidden to dismiss workers who have joined unions or to penalize employees for belonging to unions. In fact, these are nothing but theoretical rights. Every year during the last ten years hundreds of workers across Canada have been fired by their employers because they were foolish enough to believe that the laws of Canada mean what they say, and that they could join unions without the risk of losing their jobs. In fact, employers have ignored the provisions of the act in this respect. Indeed, it seems that we have one law for the rich and another for the poor; one law for the strong and another for the weak. If a person commits an offence against the law, if he robs a bank, or steals a car, or sells liquor illegally the police will apprehend him and prosecute him. But if an employer breaks the law, what happens? The worker or his union is required to make a complaint to the labour relations board. After hearing the details of the case, the board may behave in a very magnanimous way; it can give the worker or his union the right to prosecute.

I do not need to tell the committee or the minister how useless this procedure is. It takes time, it takes money, and then the case must be presented before a judge who often knows little or nothing about labour legislation. Even when an employer is found guilty, the penalty is usually of such a minor character that all it amounts to is a licence to go on breaking the law.

There was a case in Winnipeg a couple of years ago which illustrates this point. A brewery workers union organized a Pepsi-Cola plant in the city. The company did what so many other companies have done—they fired a number of the key people working in the plant who were active in the union. The union got the provincial attorney general to take action against the company under the relevant provision of the Criminal Code. The case was brought before a magistrate and the company was found guilty. What did the

magistrate do? He assessed against the company a fine of $100. This, of course, was of no use to the union. It did nothing to protect the workers. In fact, the union was wiped out.

It seems to me that what we need is a thorough revision of our federal law and of the provincial labour acts, so as to give our labour relations board the authority which the national labour relations board has in the United States—the right to issue an order to a company to cease from discriminating against workers, and the right to issue an order for the reinstatement of workers who have been dismissed. The board should have the right to say to a company: You should not have fired this employee and you must pay his back wages during the time he has been unemployed. Without this kind of amendment to the labour laws of Canada, it seems to me that these laws are really only a snare and a delusion. In fact, they only create difficulties for the workers who believe that we mean business when these laws are passed. Until we pass this kind of legislation, both federal and provincial, the workers are not going to get the rights which, in fact, they have been promised.

It seems to me that not only should the federal government introduce this kind of amendment, but it should take the lead in calling a meeting of the various provincial labour departments to seek the passage of this kind of legislation in other provinces.

Now, I want to deal with another provision which has been extremely harmful to the workers and trade unions of this country. I refer to the provision of the Criminal Code which deals with trespass. As a result of this section of the code, trade unions have been denied access to workers on great projects all across this country. The workers in the lumber camps of Quebec and Ontario, the workers at Benson mines at Blind River, the workers at Seven Islands, the workers on the great International Nickel project at Thompson, as well as workers in other areas where companies have obtained concessions to develop great resources, have been denied their rights. In some of these areas the housing is provided by the company and is located on company property. The company uses this excuse, that the workers are living on their property. They say that this is private property and union organizers are denied the right of access to the workers on these projects.

They were building a power plant at Kelsey in the province of Manitoba, and employing in the neighbourhood of 2,000 workers for two years. It was completely impossible for trade unions to get in to talk to these workers during that time. The place was completely isolated and the only way one could get in was by railroad on a spur line off the Hudson Bay railroad. You could not get in there without a pass from the company. Naturally, the company would not permit any union organizer to go in there. I have sworn affidavits to prove that the workers were compelled to work as much as 100 hours a week for six months at a time. If they did not do so, they were told they would be dismissed. The fact is the employees worked these hours without any overtime paid, without any of the benefits they would have received had a trade union been there. The union was unable to get in before the project was completed.

Similarly at Thompson where the International Nickel Company gained control of a hundred square miles through an agreement with the Manitoba government, for a period of almost two years the trade unions were completely prohibited from entering that area. Not only trade unions but members of parliament, members of the legislature, were prohibited. At that time I was a member of the legislature. I want to tell the members of this committee that it took me about a month, going from minister to minister, from deputy minister to deputy minister, before I finally went into the area without getting permission. The local government administrator, supposedly working for the government of Manitoba, was in fact an employee of the International Nickel Company. He simply refused to let me or any union organizer enter. I got in by telling him I was going in and if he wanted to get the Royal Canadian Mounted Police to take action, he could do so, but I would refuse to pay any fine which the court might assess and I was prepared to go to jail. Of course, at that point they acceded to my request, because it would not have looked very good for International Nickel.

This is the kind of thing which companies are doing consistently. As we move to develop our resources in the north, we are going to see more and more of this type of thing. One of these days the unions are going to say that they are not concerned with the law because the law is being misused. They are going to exercise the rights supposedly granted to them under our labour laws. They are going to enter one of these areas, and there is going to be trouble; there is going to be violence. Perhaps after we have that kind of violence the government of Canada will wake up and pass the kind of amendments to the Criminal Code which are required to deal with trespass. I would think we would be wise enough to pass this kind of amendment before we have that kind of trouble.

There is one other provision with which I want to deal, and that is the use of injunctions under the labour relations acts, both federal and provincial. Workers have a right to strike. I know people become disturbed

when we have strikes, and that is understandable. Many people in Canada do not realize that 99.5 per cent of the labour agreements are renewed without strikes. We only hear about the times when there are difficulties, when there are strikes. In Canada, because of the labour laws we have, it is more difficult and takes longer to get into a position where you can legally strike than in almost any other democratic country. I am not going to discuss at this time whether this is good or bad. This is part of the heritage bequeathed to this country by that great labour statesman, Mr. Mackenzie King. There is this whole business of the need to have bargaining in good faith between employer and employee, the need to call in a conciliation officer; and if you do not reach an agreement the need under the law to establish a conciliation board, before a trade union can go on strike. Anyone who has worked in this field knows how long it can take before a conciliation board can reach any kind of agreement or get to the point where they make their report.

If a union does all these things, if it does get into a position where it can strike, and even if it is a legal strike, Mr. Chairman, injunctions may be taken out. Even though the Criminal Code sets out clearly what is legal in the form of picketing, we have an increasing number of employees going to the courts to seek an injunction before there is any difficulty, before there has been any illegal action. A few days later they go to the court and get these temporary injunctions made permanent. The courts, in fact, are rewriting the law by their decisions, and picketing is virtually becoming illegal. Recently there was a strike in the city of Ottawa which happened to concern a building project of this federal government. The employees of one of the subcontractors went on strike, legally and properly, as they were entitled to do. They established a picket line around the job, since that was the only way they could inform people they were on strike. The company went to the court and got an injunction. The judge granted the injunction on the grounds that in picketing this place they were also picketing the prime contractor whose workers were not on strike. The argument of the lawyer for the union to the effect that if they did not picket this site where they were working, they could not picket at all, was simply ignored by the judge.

I suggest that if this government means business they had better get busy and rewrite the provisions of the Criminal Code so that union workers who find it necessary to go on strike will have their rights protected. I think it would be a good idea if the Minister of Labour were to convey to the various provincial ministers the idea of making a survey to see how many injunctions against picketing there actually have been in the various provinces in the past number of years.

These are some of the things which I hoped the minister would talk about in the field of labour relations legislation. I should like to spend a few minutes talking about the Department of Labour. When I say things which I shall say, I am certainly not being critical of the people who are working or have been working for the department. I think they do an excellent job when one considers the staff they have and the scope which they are given. It seems to me that if we are going to function properly in the complex urban society in which we are living, we have to do a better job of equipping the people of Canada to get and hold jobs which will be available in this country. In order to do this, it seems to me a number of things are necessary.

First of all, you have to reorganize our educational system for this century, to make it effective, rather than making it the kind of educational system which fitted us for the last century. It is not my intention to go into detail tonight. We are all happy with the beginning which has been made in the field of vocational training. However, can the minister tell us what has happened to the people who have taken training in these new vocational training schools? Have they been able to find jobs? Have we been training them in the right skills? I am certain the minister cannot tell us, because we have not yet set up that kind of research organization which we ought to have in the Department of Labour. We ought to have a much greater technical training program at all levels, beginning with the grade six level and going right up to the university level.

When we read what is happening in the United States, and when we read the summary—because that is all we have had a chance to see—of the Robbins commission report in Great Britain, I am sure the minister will agree that what we have undertaken up to now is really a very meagre program. I am not critical when I say this. We have at least made a beginning, but I would hope that in the not too distant future the government, in co-operation with the provinces, will undertake a basic examination of what is needed and stop using the excuse that it is the provinces' responsibility. Let us co-operate in building a technical training program which would meet our needs, and to do these things we require a different kind of department of labour than the kind we have had up until now.

I believe it was the former minister of labour who said the labour department used

to be the poor department of government. I think it is still the poor department, but it should be the most important department of government. The department has a role to play which it has never accomplished because we have never given it the tools to do the job.

The department has to stop being mainly a quiet referee in the field of industrial disputes. It should be made the major department of the government, and should be given the main responsibility to secure adequate employment and decent wages for every Canadian.

I was disappointed with the speech the minister made the other day, when he was proud of the fact that we have some 10,000 less unemployed than we had this time last year. Of course that is better than having 10,000 more unemployed; but in the year 1963 to have a quarter million people unemployed is a disgrace to the country, to the government and to parliament. It is something we ought not permit to continue.

If we are to achieve the aim of full employment, then the labour department should be given the job of taking over and reorganizing the national employment service. It should make that service an aggressive, forward looking instrument of public service. So long as the employment service remains at the tail end of the unemployment insurance commission it cannot do a good job. If anyone thinks it is doing a good job, then let him take a look at the yellow pages in any telephone book in any Canadian city, and compare the number of private employment agencies in business in Montreal, Toronto, Winnipeg, Vancouver and Hamilton in 1963 with the number which were in business in 1953 or 1948. If the employment service were doing a good job these private agencies would never get the business they have.

The objectives of a reconstituted national employment service in the labour department should be, first, to maintain a continuous review of Canada's manpower and to develop a long term plan for the effective deployment of the total manpower resources of the country.

I was disturbed tonight when the minister spoke of an extension of the department's role of counting how many people are unemployed and how many jobs are needed. I did not detect in his speech any note of urgency concerning aggressive action on the part of the department in planning for full employment.

Second, the reconstituted national employment service should ensure that everyone who needs employment has access to a job which makes full use of his productive capacity.

I commend to the minister a thought expressed by a man whom nobody in this house would consider a flaming radical, the head of a large business organization, the Canadian Pulp and Paper Association, Mr. R. M. Fowler. I am told he is also a pretty prominent Liberal, and I wish to read into the record a short paragraph from a statement he made before the special committee of the Senate on manpower and employment in 1961:

> In the modern industrial state, there is a responsibility of society to provide work for people who want work. It is no answer to make statistical arguments that the existence of some degree of unemployment makes other economic problems easier to handle—such as, for example, the control of inflation. Nor is it any answer to say that present unemployment afflicts only a minority of Canadians; for that minority it is still a major misfortune. These human losses are also national losses; the goods and services that a man could have produced on a day when he is unemployed are lost forever and the total wealth of the nation is reduced by that amount.

That is an excellent statement. A few years ago it would only have been we woolly minded socialists, who did not believe in private enterprise, who would have made that kind of statement; but Mr. Fowler is a pretty hard minded businessman, and the minister should consider his kind of thinking seriously and get on with the objective of obtaining full employment in Canada, rather than putting up with the 5, 6 or 8 per cent unemployment which we have experienced since about 1956.

Lastly it seems to me the reconstituted national employment service should ensure effective mobility of labour through adequate training programs and travel grants, to encourage real upgrading and reallocation of the labour supply.

To do these tasks the employment branch of the Department of Labour needs to have a staff trained and directed to place top priority on job placement today, as well as making plans to meet the new problems which are being created every day and week by automation and technical innovation. Only last week I read in an Ottawa newspaper that Mr. John Snyder, a former secretary of commerce in the United States, estimated that 40,000 jobs are being lost every week in the United States due to automation. I do not know if we can apply that figure proportionately in Canada, but I do not think it is far out, and we are only beginning to tackle the task of finding jobs.

I hope the minister will not continue to be as satisfied as he seemed to be tonight. The Prime Minister has told us about a few of the goodies which he hopes parliament will pass before Christmas, but when we come back in 1964 I trust the minister will try to do some of the things I have mentioned and, if

he does, the members of this group will support him and see that they are passed through the house.

**Mr. Olson:** My first words are to congratulate the minister on his appointment to the office he holds. I think members of the committee will agree that one of the very serious problems which faced Canada during the past few months was one directly involving the Department of Labour. I refer to the problem of the maritime unions on the great lakes, and I am sure all hon. members of the committee would wish to commend the minister for the manner in which he handled that situation.

I have been accused of commending the government on a number of previous occasions for certain actions which it has taken. That does not worry me very much. I also commended the previous government when I thought it deserved it, and when the present government deserves criticism I can assure it that I will be offering that criticism.

Tonight I want to deal with one very important matter, the problem with respect to the manifestation of the division between French and English speaking Canada. A large part of the root of this problem lies in unemployment and in low, or lagging, economic conditions in the province of Quebec. I spent last week end and the previous week end driving through various parts of Quebec trying to pick up local opinion with respect to this division between English and French speaking Canada, and from the conversations I had I am convinced that if we could do something to enhance the economic conditions in Quebec we would move a long way toward solving this division.

I wish to quote from a speech made by the hon. member for Iles-de-la-Madeleine as reported at page 4374 of *Hansard* for last Monday, November 4:

> —I believe that as far as my own province, the province of Quebec, is concerned, unemployment and the economic situation of its population are probably the main cause responsible for the uneasiness which prevails in the federal-provincial relations and in the relations between French speaking and English speaking Canadians.

On that same date the hon. member for Quebec West had this to say, as found on page 4372 of *Hansard*:

> Before I conclude, Mr. Speaker, I wish to mention again to the hon. members that they committed themselves, during the election campaign of last May, to stop unemployment once in power, and in my opinion it is about time that they seriously think that over and introduce adequate legislation in that connection.

I hope you will forgive me, Mr. Chairman, because I have a number of other quotations I want to read into the record from speeches in the house by members from Quebec who have stated repeatedly that the unemployment problem is at the root of the division and that they expect the federal government and the parliament of Canada to do something about it. Again, the hon. member for Iles-de-la-Madeleine had this to say on May 22 this year as found on page 153 of *Hansard*:

> Well, Mr. Speaker, how can the citizens of the province of Quebec, who consider themselves as full-fledged citizens, who want to be considered as equal partners in Canada, be willing to accept a situation where they are at a financial disadvantage compared to the citizens of Ontario?

The hon. member for Vancouver-Kingsway, who I am pleased to see is here tonight, had this to say as found on page 328 of *Hansard* for May 27 last:

> Nothing contributes more to frustration and bitterness or loss of confidence in one's country and its social system than long periods of unemployment. The relatively poor economic conditions in Quebec provide a major source of discontent among the working people and farmers in that province.

The hon. member for Lake St. John had this to say, as found on page 328 of *Hansard* for May 27 last:

> I come from Quebec, a province which is most particularly affected by the unemployment which prevails in Canada. Nearly 10 per cent of our labour force are out of work and all the people of my province have their eyes turned toward Ottawa to see what the federal government intends to do, through the provincial governments and especially through the Quebec government, to reduce the number of unemployed.

After having spent a few days in Montreal and one day in the city of Quebec and several days in other parts of the province, I believe there is a genuine frustration among some of our French speaking Canadians who do not have a sufficient command of the English language to aspire to some of the top positions in commerce in Canada today. But I wish to contend that the international language of commerce is English, whether we like it or not. Furthermore, it is not because of anything that English speaking Canadians have done that this has come about. I do not think it is even something that England itself has done in latter years that has brought this about. I think it has come about because of the expansion of American influence in the world, particularly in the world of commerce, for certainly that expansion has been carried out in the English language.

Therefore I implore our colleagues from the province of Quebec to stop blaming the English speaking members of this house for this problem. Even if Quebec were a separate state the people there would still be faced with the international language being English in dealing with all the countries in the north Atlantic region, and in many other places in the world.

As I said, Mr. Chairman, I am genuinely interested and concerned in doing something about this problem. The members from the province of Quebec whom I have quoted have stated one after the other that it is the responsibility of the federal government and this parliament to take some action to equalize the situation. So my challenge to these members tonight is to come before parliament with some kind of program that will do the job and at the same time be acceptable to the province of Quebec.

We know, for example, that in past years when the trans-Canada highway program was established it was rejected in its initial stages by the province of Quebec. We know, for example, that when assistance with education, particularly to universities, was offered to all students at any of these institutions all over Canada this was rejected by the province of Quebec.

**An hon. Member:** By Duplessis.

**Mr. Olson:** If we turn to more recent history we find that the municipal development and loan fund established at this session of parliament was also partially rejected by the province of Quebec, even though this legislation was supposed to do more than anything else to solve the unemployment problem in Canada.

**Mr. Pigeon:** The province was right, too.

**Mr. Olson:** I want to say in fairness that we in this party have asked for years that a municipal development bank be set up and we are still of that opinion. There is a slight difference between the operations of a municipal development bank, such as we have advocated, and the municipal development and loan fund that was actually established. There are provisions for the forgiveness of certain amounts and there are also provisions that the money must be used for certain things.

Taking that into consideration and at the same time taking into consideration the provisions of the Financial Administration Act, which demands that money voted by parliament be accounted for to parliament, the department administering the development and loan fund has got to follow through to see that the money is used for purposes that were authorized by parliament. That part of the legislation is not acceptable to Quebec, if I understand their attitude correctly.

The province of Quebec has contracted out of the Canada pension plan even before it has got under way. It is not under way, and perhaps they saw the light first because in my opinion it was introduced before all of the problems had been anticipated. Its introduction was premature.

[Mr. Olson.]

**Mr. Pigeon:** On a question of privilege, Mr. Chairman, I think the province of Quebec has its reasons for refusing to enter into an agreement with the federal government and I think we from the province of Quebec have no lesson to learn from the hon. member.

**Mr. Olson:** There is no question of privilege or order or anything else. I would remind the hon. member for Joliette-L'Assomption-Montcalm that he and I are members of the parliament of Canada and that we should always keep that in mind. I am not here tonight to try to teach a lesson to anybody from Quebec or anywhere else. The fact is, however, that parliament has been under a steady barrage of complaints from members from the province of Quebec that we should do something to relieve the unemployment situation there. As I said, I am willing to support measures that will do this, but I want to know that the province of Quebec is going to accept them. Many of the things that have been done over the years have been rejected out of hand by the province of Quebec on the pretence that they infringed on provincial autonomy.

There are precedents for passing legislation that is of benefit to certain regions in Canada. In this session of parliament, for example, we have passed the Atlantic Development Board Act and have provided a fund of $100 million for the special benefit of that area. I have no objection to passing such legislation, even specifically for the province of Quebec, provided they will make use of it.

I also remind hon. members that back in the 30's a number of such acts were passed by parliament. For example, the Prairie Farm Assistance Act was of specific benefit to one area of Canada alone. We appreciated that and it has done a lot of good over the years. Then there is the Prairie Farm Rehabilitation Act which also assisted a certain area. It is no disgrace to any area of Canada that it should happen to be lagging behind some other area economically. It would be a strange situation indeed if one particular province or one particular area would be ahead all the time.

In the past we have passed legislation in this house for the benefit of the prairie region, while in the last few months we have passed legislation for the benefit of the Atlantic region. I have no objection to supporting legislation that will be of benefit to any other area that is economically depressed at this time. As I said, Mr. Chairman, I should like to have some assurance that if we do what we are expected to do and a program is brought in and passed it will be accepted and used for that purpose.

I should like to spend a couple of minutes on the vocational training program. The member who spoke immediately before me said it was not proceeding rapidly enough, and perhaps that is true. It is true if you take into consideration the number of unskilled workers in the country who are unable to obtain jobs. I want to be fair and I would even congratulate the former minister for setting up this program in the first place; but it should be drawn to the attention of the committee that the people at the local administrative level who are trying to make the best use of the vocational training program are breaking new ground all the way. They had no programs or surveys of what was required. They did not have the staff or facilities to get on the with job. We have one of these schools in Medicine Hat and I am glad it is there. About $2½ million worth of school building and equipment are ready to be used. But when it comes to programming and finding the needs required to fit programs to train people it becomes a different kind of task. I know a number of members on the school board, particularly the superintendent of public schools, in Medicine Hat in charge of setting up these training programs and educational programs, and it is not easy; but they are moving as fast as they can and it is a matter of trial and error. Quite frankly I congratulate them on the progress they have made to this point. It is not as rapid as it perhaps could be, but this is not because of lack of effort. We have excellent facilities. The school is almost overbuilt and the present facilities cannot be fully used either this year or even in two or three years to come. I think it is rather an unfair criticism therefore to say the program is not going ahead as fast as it should. I have looked at some of these statistics and the provinces of Ontario and Alberta took the greatest advantage of this program. After a while the other provinces will be able to benefit to a large extent from the experience learned in these two provinces.

In closing, I just wanted to draw these few matters to the attention of the committee and hope that in weeks to come, when we hear of unemployment problems in various regions of Canada, we may also hear suggestions from those same areas which will in fact be an acceptable solution to these problems.

**Mr. Regan:** In rising to make some brief comments on the estimates I would not only compliment the minister on his appointment but also compliment him on the manner in which he has carried out his heavy responsibilities. Everyone in Canada agrees that no minister of labour was ever faced with more serious problems in so short a time as the present minister over the last six months. I was very interested in the remarks of the hon. member for Winnipeg North and to a great extent found myself in agreement with him, when he deplored the lack of a review and systematic amendment of our labour legislation. I agree the time has long since passed when all the labour legislation of our country should have been thoroughly reviewed and changes brought about to bring it up to date in light of changing conditions, both in labour and management, during the last 20 years. The recent trouble with the S.I.U., culminating in the present trusteeship, is an excellent example of the need for changes in our labour legislation. In speaking in the debate at the time the trusteeship was established I had occasion to mention that our legislation should be brought up to date so that other gangster czars of the Hal Banks type would not have the opportunity to come into power in the future. I suggest in that direction it is time we considered seriously the necessity of outlawing the "closed shop" in certain types of industries in order to prevent a would-be union czar from having too much control beyond our democratic processes. There are also many active today in the union movement in Canada who agree that we need some form of review by governmental or other appointed authorities of union welfare plans and finances so that members' interests can be protected. In this regard caution must be shown by this house in amending legislation so that the freedom and independence of our labour movement would be protected.

Nevertheless there is no question that the parliament of Canada by default has given to the courts the job of deciding the course of development of our labour laws during the past 20 years. Owing to the fact that we made no changes in our labour laws to keep them up to date it has been left to the judges to adjudicate upon all types of situations which arise in modern management-labour relations, many of the present situations being of a type not even contemplated at the time when our first labour relations legislation was enacted. I suggest that in many instances there would be a goodly number of Canadians who would disagree with the course the courts of this country have seen fit to follow in this direction.

**Mr. MacInnis:** Would the hon. member permit a question?

**Mr. Regan:** No. We need statutory clarification of the right to picket peacefully, and of the legality of secondary boycotts in view of decisions made by the courts, which have not seen fit to follow the rather liberal interpretation of workmen's rights as established

in England by the Crofter-Veitch and Thompson-Deacon cases. In this country the courts, acting in the absence of the legislators through default of parliament, have seen fit to invent with great imagination and originality a supposedly new tort of conspiracy. We have now reached what I call an unreasonable condition that any strike not wholly in accordance with the law becomes outlawed to the point where it is conspiracy in the eyes of the law, so that in effect strike activity can be restrained and the rights of the workers to collective representation is, in the end result, invariably lost. In other words, under the present status of the law if the union, in carrying out the necessary secret vote before a strike is called, make some technical error and does not comply with the letter of the law, everything happening thereafter becomes an illegal conspiracy making the union subject to injunction, and to be sued for very heavy damages.

These are situations which I suggest were never intended by parliament and which do not exist under the laws of England. I submit that the spirit of the bill of rights and, indeed, in the spirit of the earlier decision of the Aristocratic case in British Columbia in 1951, which decided that workers at all times have the right to free speech and to communicate their side of any dispute regardless of whether they were in the right or in the wrong, has unfortunately not been followed subsequently by our courts. In order to bring our labour laws back in line with developments in this branch of the law, it is high time we had a complete review of the labour legislation of this country.

I intend to be brief, but before sitting down I should like to say I am looking forward to the establishment by this government of a national labour code. I hope and feel it will not be long in coming and it is certainly badly needed. Before concluding I should like to say that we in Canada have been very fortunate in our labour relations inasmuch as we have had in the past, as we have today in the Canadian Labour Congress, a union organization which represents the great majority of the responsible law-abiding progressive unions of the nation.

We are very fortunate in having such an organization which has at all times taken a broadminded approach to the problems of the economy of this nation, an organization which other countries would be proud to have as their central labour organization.

Finally, I would urge that the government make every effort to see to it that an early review of the now outdated labour legislation of this country can take place so that we in Canada can again become leaders in this field.

[Mr. Regan.]

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, I had no intention of taking part in this debate but in view of the remarks made by the hon. member for Medicine Hat (Mr. Olson), I felt it was my duty to protest strongly on behalf of the vast majority of people in my province.

True, the province of Quebec does have 40 per cent of the total number of unemployed in Canada. My province needs its powers of taxation to settle its problems, including unemployment.

Quebec's culture and outlook are different from those of the other provinces, and that is what made confederation possible.

My province is quite willing to co-operate with the other provinces to make Canada stronger and more powerful, as long as the federal government, regardless of which party is in power, respects its wishes. That is how Canada will become a strong and powerful country.

For several years now, the central government has been infringing upon the jurisdiction not only of Quebec but of all provinces. No protests were voiced by some provinces but Quebec was right in speaking out because it is not a province like the others. It has its own characteristics and I think that the various and successive provincial governments opposed joint programs, and I agree fully with their stand. In fact, I hope that at the next federal-provincial conference, the central government will accede to the request of the province of Quebec. Should it fail to do so, it would be responsible for the secession, before long, of French Canada from English Canada.

I wish to emphasize this, because under our constitution certain rights have been recognized to the provinces.

At the time of the war, the federal government infringed upon the rights of the provinces, and it should as far as possible comply with the requests made every year by the province of Quebec, so that the latter could regain control of certain fields and carry out some work projects.

If the federal government were to agree at the next federal-provincial conference to turn over to the province of Quebec, and to other provinces as well—because the province of Quebec is not the only one to want it—more taxation powers in order to promote education and other economic and cultural endeavours, I am convinced that this would be the best way of solving the unemployment problem, not only in the province of Quebec, but in the other provinces also.

Mr. Chairman, as I said earlier, I did not intend to speak but the hon. member for

Medicine Hat criticized the province of Quebec for refusing to co-operate with the federal government about the pension plan. Well, Quebec needs the money in that reserve fund precisely to meet its own economic needs and thus help check unemployment.

I also wished to protest strongly, and I say it again, against the remarks made by the hon. member for Medicine Hat. In fact, the hon. member does not know the province of Quebec well because spending only a few hours there, as he did, is not enough to enable him to know the feelings of the province of Quebec.

In my opinion, the hon. member should instead spend two and even three months there, but even then I would be very much surprised, in view of the mental capacity I find him to have, if he managed to understand the aspirations of the province of Quebec.

The province of Quebec will work for a greater Canada, as long as its rights and privileges are respected.

[*Text*]

**Mr. Knowles:** Mr. Chairman, we appreciate the desire of the minister and of the hon. member for Ontario to deal with these estimates as expeditiously as possible, but we feel the committee should take at least sufficient time to recognize the importance of the department with which we are now dealing. I know we have been criticized in the press for wasting time on unimportant matters, but that is no reason for our not giving adequate attention to important matters.

In the same vein, may I say it is interesting to notice these box scores in the columns of the press on the attendance of members of the House of Commons. I do not know whether it is because I have got to my feet, but I notice there are now five representatives in the press gallery. During most of the evening there have been only two. I hope that box score will be published as well. I may say our proceedings have been well covered by the charming representative of United Press International and by a capable representative of the Canadian Press. But the representatives of the newspapers of Canada who have so much to say about our attendance and our discharge of our duties seem to have taken Friday night off. I hope they will report this. I hope, at least, it will be transmitted in the dispatches of the Canadian Press and United Press International.

**Mr. Churchill:** Would the hon. member permit a question? The hon. member knows a bit about the rules. Is it in order to draw attention to people in the gallery?

**Mr. Knowles:** I think the hon. member for Winnipeg South Centre has raised a good point of order. I am glad he did not raise it until I had completed my remarks on that subject.

**An hon. Member:** What the hon. member drew attention to was the fact that there was almost nobody in the gallery.

**Mr. Knowles:** As the members of the committee know, Canada holds a seat on the governing body of the International Labour Organization by virtue of the fact that we are recognized as one of the ten most industrialized nations of the world. We are also aware that the nature of our economy has changed across the years, particularly in recent decades. We have become a highly industrialized nation and, in all probability, this trend will increase. I mention this in order to support the point of view expressed earlier this evening by my hon. friend from Winnipeg North to the effect that the Department of Labour should become much more than just a set of referees in industrial disputes; it should become a department which takes a positive lead in the promotion of full employment, in the promotion of education, in the promotion of training and retraining, and in bringing forward legislation which will enhance the position of those who work in Canadian industry.

This is why we feel full attention should be given to these estimates. This is why we had hoped that the able and scholarly Minister of Labour, who is capable of giving an excellent treatise on these matters might have given us a little more substance in the remarks he made tonight. I know he indicated his willingness to answer questions after other hon. members have spoken. I hope that having listened to whatever speeches are made tonight he will give the speech he should have given at the start. I hope he will have noted not only the remarks which were made on this side of the house but the appeal addressed to him by the younger member for Halifax—at least, I think he is the younger one—for action on the question of a national labour code. We have labour legislation on the books of this country. We have had a trade unions act for a long time. We have had other bits of labour legislation for many years. But it was not until 1948 that we got anything comprehensive in terms of federal labour legislation. I refer to the Industrial Relations and Disputes Investigation Act, which we did not get until 1948. We did not get the Unemployment Insurance Act until 1940. These two pieces of legislation came in those years, despite the fact that in 1919 the party which is now in power pledged itself to go to the limit with respect to the

items that were incorporated in the 1919 peace treaty and set out in the terms under which the International Labour Organization was established.

It not only took all those years to get on the statute books the two main pieces of legislation to which I referred, but since then very little has been done. There have been no significant amendments to the Industrial Relations and Disputes Investigation Act since 1948. While the Unemployment Insurance Act has been amended a number of times since it was enacted in 1940, it is now due for a thorough overhaul. We have been promised that something will be done in this field, but it looks now as though this cannot be counted on until the next session of parliament.

There is another area, Mr. Chairman, in which labour legislation is required, apart from measures such as the Industrial Relations and Disputes Investigation Act and the Unemployment Insurance Act. I have in mind what is now generally referred to as a labour code. I was glad to hear other members, particularly the Liberal member for Halifax, talk about the need for a labour code. Sometimes he talked about the need for revising it. The difficulty with the use of that word is that there is no labour code to revise. It is a purely arbitrary exercise to say what items are included in a labour code, what items are included under the heading of industrial relations, and so on. But it does seem to be generally recognized that a labour code ought to include at least these five things: legislation respecting minimum wages; legislation governing maximum hours of work; legislation on a maximum work week; vacations with pay, and statutory holidays with pay.

There are other things, such as the question of a check-off of trade union dues. There is the question of legislation for equal pay for equal work, which we have on the statute books. If I may confine myself to the five items that I said were really the minimum elements of a national labour code, I should like to point out that, so far, only one of them is on our federal statute books, namely legislation for vacations with pay. Even that was not put on the statute books by the Liberals. It was put on the statute books while the Conservatives were in power, despite the fact that as long ago as 1919 the Liberals, in that great convention that selected Mr. King as leader, promised significant legislation in this field.

About once a year I like to get from the library the book that reports the 1919 Liberal convention. It is a very interesting document. As a matter of fact tonight, for the first time, I found that one of the delegates at that convention in 1919 was the late Mr. F. C. Hamilton of Winnipeg, who was chairman of the board of the church in which I was minister the first time I ran as a political candidate back in the federal election of 1935. Let me say that although he was an active Liberal, and even though he did not agree with my politics, he recognized my right to enter the political field.

**Mr. Munro:** This is a constructive contribution.

**Mr. Knowles:** I missed that.

**Mr. Munro:** May I ask the hon. member if he feels that he is making a constructive contribution to the debate tonight?

**Mr. Knowles:** I did not think it was destructive to refer to the fact that a Liberal recognized the right of an individual to political freedom; but if my hon. friend thinks it is, I could withdraw it.

**Mr. Munro:** I thought it was an exercise in partisanship against which the hon. member is always talking, and for which he has a considerable distaste.

**Mr. Douglas:** It probably depends on your powers of comprehension.

**Mr. Munro:** It does not take much comprehending to discern a partisan speech by the hon. member.

**Mr. Starr:** May I just refer to the remarks made by the hon. member for Hamilton East, when he spoke of a partisan contribution? After all, that is a matter that is basic.

**The Chairman:** Is the hon. member rising on a point of order or making a speech?

**Mr. Starr:** I am rising on a point of order in respect of the remarks made by the hon. member for Hamilton East about partisanship in debate.

**The Chairman:** Perhaps the hon. member could be given the opportunity of making these remarks afterwards. It seems to me the hon. member for Winnipeg North Centre has the floor now and he should be allowed to make his speech.

**Mr. Starr:** I think I have the agreement of the hon. member for Winnipeg North Centre to do this. I should like to refer to *Hansard* for January 30, 1963, page 3287, where I find the following:

> Mr. Pickersgill: If I may be permitted, respectfully, Mr. Speaker, to raise a question of privilege for just one moment, I suggest that the idea that any debate in this house should be non-partisan is foreign to our whole parliamentary system.

**Mr. Munro:** If I may, I would suggest that the hon. member for Winnipeg North Centre has a very able defender in the hon. member for Ontario.

**Mr. Douglas:** A profound observation from a person so lacking in profundity.

**Mr. Knowles:** I did not realize that a mere favourable reference to a late friend of mine who happened to be a Liberal was going to produce this exchange and this point of order. I was just inviting members to do as I do once in a while, and read the promises made by the Liberal party in 1919. Amongst other things, of course, they promised measures in the social security field that perhaps are not relevant to the discussion tonight. I will quote them again on another occasion.

However, the Liberals did promise in 1919 that they would adopt the proposals of the International Labour Organization, that we would have a maximum hours per day law and a maximum days per week law. Hon. members would be quite proper in drawing my attention to the fact that I have not mentioned the number of hours that was promised in those days. We have moved from that day to goals that are more advanced, but on the federal statute books there is no law fixing the maximum number of hours or the maximum number of days per week. There is still no minimum wage law and there is still no provision for statutory holidays with pay. In so far as annual vacations with pay are concerned, there is a bill on the statute books but it was put there by a Conservative government when it was last in power. The Liberals, when they were in opposition, agreed with us that this legislation should be improved, but as yet nothing has been done about it.

When the Liberals were over on this side of the house in the last parliament, they were strong in their insistence that there should be a national labour code; that this kind of legislation on minimum wages, maximum hours, a maximum work week, vacations with pay and statutory holidays with pay, should be introduced. They have moved across the way and they still think it should be introduced. The hon. member for Halifax said so tonight. The hon. member for Essex West on May 30 in this session when speaking to one of my bills in this field suggested that this was not the way to do it, bringing in one bill at a time, but that what we should do was to bring in a national labour code. He admitted he could not speak for the government, but he was sure that before long a national labour code would be introduced by the Liberal party.

On that same day the hon. member for Kootenay East, the parliamentary secretary to the Minister of Labour, expressed the same sentiment. The way to do this, he suggested, was not by bringing in one piece of legislation at a time but to wait for Liberals to introduce a national labour code. On May 21 the Prime Minister was asked about one of these items, namely minimum wage legislation. He replied on that day that it would be introduced as soon as possible. I asked the present Minister of Labour on June 5 of this year when these items for a labour code which had been promised by the Liberals in the last election campaign were going to be introduced and he assured me, as can be found in *Hansard* for June 5, page 699, that these matters were under active consideration and would be on the order paper in due course.

Well, Mr. Chairman, there is the order paper; look at it and you will see that not one of these items is on it in the name of the government. There is no indication of a national labour code. The other day when the Prime Minister told us what the business would be for the balance of this session, there was no reference to a national labour code. Even when we look over the promises that the government has made for the next session, this does not seem to be in sight.

Mr. Chairman, I think it is quite fair on my part to refer back to 1919 and to speak in terms of the Liberal party that we have today as the Liberal party that came into power at the next election after that year's Liberal convention and which has continued the traditions of that time. It is a long time to wait, from 1919 to 1963, 44 years, and still not have implemented the things that were promised at that time. For the benefit of the hon. member for Hamilton East, let me read a paragraph from Mr. Mackenzie King's speech at the end of that convention, the convention that adopted these progressive labour planks such as the labour code to which I have just referred. This was his speech which concluded the convention at which he had been elected leader, and was away to his future career. These are Mr. King's words:

> If more is needed, that more is to be found in the platform which has been laid down by this convention. That platform, ladies and gentlemen, is the chart on which is plotted the course desired by the people of the country, as expressed through the voice of the Liberals assembled here. So with this chart and this compass, forgetting the things which are behind, and stretching forward to the things which are before, let us press on from this moment, a great, a united, a mighty force, making ever for new liberty, for wider freedom, for greater righteousness in the public affairs of this nation; press on, ever more zealous and united, till we have reached the goal where the principles and policies laid down on this historic occasion will have become—

—and I pause now to emphasize the next two words—

> —through legislation—

—and the rest of the sentence reads—

—part of the law of our land.

I do not think it is unfair on my part to say to the Liberal party in power today that these many years later we should not still have to be asking, as the hon. member for Halifax was asking tonight, for the Liberals to put into legislation the things they have promised across the decades. I urge upon the minister as strongly as I can to pay heed to what has been said to him from both sides of the house about a national labour code.

Proposals along these lines are before him in terms of private members' public bills that we have placed on the order paper. We are willing that these bills be passed or that their subject matter be referred to committees, or that any other course be taken, provided the government will recognize the importance of a national labour code to the industrialized economy we have now in this country.

I just want to mention one or two other things, and I mention them briefly, because the main part of what I wanted to say I have now presented to the minister. I want to hear from him on this question of a national labour code before this item of the estimates is concluded. I also want to tell him that when we get to the item that deals with the International Labour Organization we would like to hear what the government plans to do by way of ratifying some more of the conventions and recommendations passed by the International Labour Organization.

Canada has been a member of this organization since its inception. Canada has voted for many of the conventions and recommendations passed at the annual conferences of the I.L.O., but we have ratified very few of them. I hope this government will do better than the last Conservative government, and better than the previous Liberal government did in this important field.

I also support the position taken by the hon. member for Winnipeg North, that the national employment service should be separated from the unemployment insurance commission where it is used, we feel, mainly as a test of employment for the purposes of getting or being denied unemployment insurance. We think it should be brought directly under the Department of Labour and pushed as a major activity of that department.

These are the main things we want to place before the minister tonight, and I express the hope that he will deal with the points raised by the hon. member for Winnipeg North, and this whole question of a national labour code.

Now that the hon. member for Winnipeg South Centre has slipped behind the curtains and may not raise another point of order, I wish to say I have received a note from the press gallery from the faithful representative of the Winnipeg *Free Press*. He was hidden by the post and I did not see him. I am happy to include him among the members of the press gallery present tonight.

[*Translation*]

**Mr. Caouette:** Mr. Chairman, we are considering tonight the estimates of a very important department, namely labour. In fact, the department is probably the one which is most influential, works the hardest, offers the greatest number of suggestions and carries out the largest number of studies concerning the various solutions which are proposed to the provinces and the whole of Canada.

The Minister of Labour (Mr. MacEachen) receives representations from all sectors of the Canadian economy, be it mining, industry or even agriculture. Day in and day out, he is always besieged by problems. Mention was made tonight of the feeling and the turn of mind prevailing in the province of Quebec regarding its economic situation. It was even asserted that members who represent Quebec ridings, that the people in Quebec, are not satisfied, because it is simply an economic matter if there are in Quebec more unemployed than anywhere in Canada.

Mr. Chairman, since the hon. member for Medicine Hat said earlier that the province of Quebec was turning down any assistance from Ottawa and that the great number of unemployed in our province was due to the turn of mind of the people and the members from Quebec, I say this to him: Ottawa collects $640 million more from the province of Quebec than the province gets from Ottawa; that is the difference between what is collected from and what is given to Quebec—$640 million.

It will be claimed that this amount is used to help either the maritime provinces or some western provinces, especially when we had to subsidize wheat in the west because foreign takers or buyers could not be found, or to subsidize the maritime provinces which are depressed at the present time.

Mr. Chairman, Quebec is not asking Ottawa for preferred treatment. But if Quebec refuses to participate in joint programs, or pension plans, it is because it wants to preserve its sovereignty, its autonomy. Quebec does not want Ottawa to interfere in its affairs. Quebec is only asking Ottawa to leave to Quebec what belongs to Quebec. I think the province of Quebec could very easily find ways to use those $640 million which are taken from it.

The situation of Quebec is different from that of Alberta or British Columbia. At the

present time, British Columbia is asking Ottawa to ratify a treaty between British Columbia and the United States regarding the development of the Columbia river. You do not hear Quebec complaining about that request by British Columbia.

You do not hear either the province of Quebec complaining because Alberta deals directly with the United States about the operation of its oil wells. Certainly not.

The province of Quebec is not complaining either because industrialized Ontario sells directly to the United States or even to other foreign countries. Quebec is far from asking for preferred treatment. Quebec only wants to be respected.

With respect to the hon. member from Alberta, that is the hon. member for Medicine Hat (Mr. Olson), who asserts that the outlook, the turn of mind of the hon. members coming from the province of Quebec is not right, that is probably the cause of separatism and independentism in that province. Well, Mr. Chairman, I say that the economic question is of prime importance in our province, just as it is in the other provinces, as well as in every part of the country.

The Minister of Labour, whose estimates are now before us, is well aware of that. We received the day before yesterday a telegram from the Lauzon shipyards' workers union, signed by Rene Barras, which reads as follows:

> We protest against the indecision of the government with respect to Canadian shipyards. Some time ago, the government cancelled its program for the building of eight frigates and now it informs us through the press, of the purchase by Canada of three English submarines at a cost of $30 million. These workers would like to know the future policy of the government. Does the government advocate the disappearance of Canadian shipyards, or what?

I suggest to the Minister of Labour that the situation at Lauzon is getting worse, that there is an ever-increasing number of unemployed. These are economic conditions caused by the policy of this government which, instead of providing work for our unemployed by having them build ships, frigates, prefers to purchase them from foreign countries.

We are in favour of buying those things from other countries when it is necessary to do so, but at the present time the situation is urgent in Canada itself, because a large number of workers are having a very hard time.

Mr. Chairman, it has been claimed that the province of Quebec has no solution to offer. But we do have solutions. We are asking the federal government to respect provincial autonomy. We are asking the federal government to give back to the province of Quebec what belongs to her.

That telegram proves that a shipbuilding program cannot be carried out in the western agricultural provinces, in Manitoba, Saskatchewan and Alberta, because they lack the required shipyards. But Quebec and Ontario have them. So why not give the benefits, the priority, to our own Canadian workers?

I give my utmost support to the maritime workers' union which is asking the government for shipbuilding projects, for new contracts which will enable our workers to earn an honest and decent living in their country, in their province and, in this case, in the province of Quebec.

We do have solutions. We have one which has been put forth by the province of Quebec. Quebec has offered a solution to the federal government, that of handing back to Quebec what belongs to her, of handing back to Ontario what belongs to Ontario and of handing back to the other provinces what belongs to each one of them.

Instead of centralizing, let us decentralize and respect provincial autonomy. This is what we are asking, not for one province but for all of them. How can a member from Quebec or elsewhere agree to any other solutions?

The pension plan suggested by the government might very well be applied provincially and by the province itself.

The provinces do not need Ottawa to set up joint programs. Why resort to Ottawa in order to pay an increasing number of bureaucrats and prevent the provinces from enjoying complete autonomy, when they all have an efficient administrative set-up and machinery?

Why not give to the provinces the financial means to look after the decentralization of planning, the development of their natural resources and of the industrial potential now available in Canada? This is the situation prevailing in the province of Quebec and throughout Canada. Quebec is no exception, and it is only a question of Ottawa recognizing the fair demands of the province of Quebec, as well as those of the other provinces.

Mr. Chairman, economic conditions now prevailing in Canada call for the immediate attention of the Minister of Labour. The minister knows that the solutions we are suggesting are practical, applicable and readily workable.

Instead of racking and cudgeling its brains to find new schemes to take from the provinces what little is left to them, why does the government not use the available means, that is the Bank of Canada?

We say over and over again, why should the policy which we are advocating not be applied? It is a possible solution. Why not

use the Bank of Canada, in order to develop our natural resources and thus assist the provinces, school boards, municipalities, public bodies in the public administration? This is what the Canadian people are expecting from us, and the government is now trying to meddle in all fields of private enterprise to lower the human being, private enterprise and private efforts. For what purpose? For the benefit of a financial system which has shown its inefficiency.

In fact, was it not the governor of the Bank of Canada, Mr. Towers, who stated in 1939 that the only restriction to the credit required to wage war was the availability of manpower and materials? Credit was available inasmuch as manpower and materials were available. Since we have from 400,000 to 500,000 unemployed—registered and unregistered, listed and unlisted but unemployed just the same—and since between one and two million people suffer from the present economic situation, why not apply the same principle as in wartime?

Mr. Chairman, why not apply in peacetime, in 1963, the same policy as we applied in wartime to put Canada on a war footing?

Why not set Canada on a peace footing, on an economic development footing?

We have the unemployed, we have the manpower and the brains, in fact we have everything we need except the credit which the government refuses to make available when it comes to take advantage of our industrial potential.

Social Credit has a solution which is not based on division. Saying that Quebec does nothing but beg from Ottawa, that it refuses to co-operate with Ottawa and to accept its conditions, does not help in the search for a solution.

Man does not live on bread alone. There is also the mind, the morals, the supernatural, the liberties. The freedom of man is as important as the food he can consume. This freedom we seek for individuals, we seek it not only for the province of Quebec, but also for all the provinces of Canada, without exception. What we are after is not dissension, but unity, a sort of unity based on an economic system which will ensure the development and emancipation of the provinces, and that of the human person in all the provinces.

Then, the Minister of Labour, the officials of his department and all of us will be happy to go before the electorate and tell them: While we were sitting in Ottawa, we passed legislation to put finance at the disposal of the human person, instead of putting the latter at the disposal of the former, as has been the case so far.

[Mr. Caouette.]

[*Text*]

**Mr. Peters:** Before the hon. member takes his seat may I ask a question? So far as the Canada pension plan is concerned, Quebec has suggested it will be able to handle this matter itself, which I think is probably true. However, the result will probably be that the other provinces of Canada will not have a national pension program. What answer is the hon. member going to give to people living in his riding, but who work in my riding in another province and who will not be able to obtain a pension based on the work they do, whereas if we had a Canada pension plan the border between our ridings, being a provincial border, would be of no consequence?

**Mr. Caouette:** Any province in Canada can do exactly the same as the province of Quebec.

**Mr. Peters:** It would be too slow.

**Mr. Caouette:** If it is too slow they should move faster. If the province of Ontario wants its own plan, it is up to the province of Ontario, just as it is up to us in the province of Quebec to have our own plan. There is no objection. On a national scale there is no objection from the province of Quebec to meeting with all the other provinces to work out a mutual national plan that could be accepted by all the provinces, but without the intrusion and control of the federal authorities in the matter. If Ottawa can help, all right; but if Ottawa cannot help, then the province of Quebec can look after itself just as Ontario can, and the hon. member's riding also.

**Mr. Webster:** Mr. Chairman, although education is constitutionally a primary responsibility of the provinces in Canada, the simple fact is that at least 20 different federal departments or agencies are involved in the expenditure of money on some type of educational program. The departments that are most affected by this common trend toward federal participation in the federal field are national defence, citizenship and immigration, northern affairs and national resources and labour, as emphasized by the minister this evening and by his immediate predecessor.

This condition of federal participation is the result of the needs of our northern people and of our native population, of the members of the armed forces and their families, and of the unemployed, the handicapped, penitentiary inmates and other special groups. But it is due even more to a growing conviction that a modern democracy must view education as a basic human right and that survival depends upon the maximum development of every individual within the country.

Accordingly, Ottawa has become engaged in a wide variety of educational projects including subsidies, grants, scholarships, living allowances, etc. In addition, 84,000 children and 3,500 teachers attend federally operated schools. This federal activity accounts for 10 per cent of all public money spent on education in Canada.

It is significant that the Glassco commission refers to the administration of this varied program as "fragmentation" and emphasizes the fact that no machinery of any kind exists to co-ordinate these numerous educational activities at the federal level. The government should consider establishing, in co-operation with the provinces of course, a federal office of education or a secretariat to perform the following services:

1. To supervise the educational activities of more than 80,000 students at present attending federally operated schools at a cost in excess of $50 million annually.

2. To administer a program, in co-operation with industry, of research and retraining of workers required to meet the demands of automation.

3. To encourage and publicize the comprehensive programs of adult education at present offered by extension departments of universities across this country.

4. To act as a clearing house for matching grants and other contributions paid to the provinces for university construction, vocational schools, student loans, scholarships, special courses for new Canadians, handicapped children, apprentices, unemployed, etc.

5. To provide a medium for the distribution among provinces of information resulting from research studies and experiments conducted at the local level by school and university authorities.

6. To promote a greater understanding among educators through the exchange of teachers and professors from one province to another.

7. To encourage the provinces to take steps to facilitate the transfer of students from one part of Canada to another with a minimum of disruption in their programs of study.

8. To co-ordinate the educational work of the Canada Council, the national research council, the medical research council, the Canadian Broadcasting Corporation and UNESCO.

Let me repeat that these educational services are being performed now, when they are being performed at all, in a fragmentary and hit-or-miss fashion. I suggest it is time that serious thought was given to setting up a co-ordinating agency of some kind with the approval and support of the departments of education in the ten provinces of this country.

**Mr. Patterson:** Mr. Chairman, I wish to participate briefly in this debate. First of all I would refer to the ministers of labour who have served successive governments since I first had the privilege of coming to Ottawa in 1953. We have been exceptionally fortunate in the calibre of men occupying this position, who have faced their various problems with a real sense of responsibility and sincerity. They have endeavoured to find solutions to these problems, and in this I include the present minister as well as those who have preceded him.

This has been a very interesting evening. It seems as though hon. members have been engaging in pleasantries, and the atmosphere seemed quite congenial until the sudden outburst from the hon. member for Joliette-L'Assomption-Montcalm in his reply to some harmless observations of my colleague from Medicine Hat.

With regard to the forthcoming dominion-provincial conference, I sincerely hope that the quiet representations and requests from the province of British Columbia will not go unheeded in the thunder of the demands which will be made on the federal administration from other sources.

Although my remarks tonight will be general, they will contain one or two specific points to which I will call attention. We have dealt with unemployment, and looking back across the years this seems to have been a favourite topic of discussion. However, it is not because various governments have failed to recognize the issue but rather that they have been unable to find a satisfactory solution. When the Liberals were in office the Conservatives lambasted them roundly for their lack of concern, but with a change of government this argument has merely shifted around a little. However, that does not detract from the earnestness with which various administrations have applied themselves to the task. We have all recognized the existence of this problem, but its very existence in a society such as ours is an indictment of our whole system. The matter of unemployment can only be dealt with effectively at the federal level, and that through a proper attention to monetary and fiscal policies.

Reference was made to the statement made by the hon. member for Iles-de-la-Madeleine which appears on page 4374 of *Hansard* as follows:

> In my opinion, nobody questions the responsibility of the federal government to ensure full employment. It seems that it has been said a long time ago that full employment is at first a responsibility of the federal government.

We fully recognize the fact that provincial administration and policies have much to do with this problem. However, basically I agree that the major responsibility rests with

the federal administration because, as I have said, the conduct and direction of monetary and fiscal policy in the wider sphere is the responsibility of the federal government. It is an indictment of this system when we look around and see the hundreds of thousands of unemployed year after year. It seems we just cannot do anything about it. We keep referring to the increasing number of those employed, but yet face the fact that there is an increasing number entering the labour market each year for whom we are failing to find additional opportunities for employment. This has an effect on the morale of our people, and it is understandable that many of them are driven practically to the point of desperation through their inability to meet the demands of, and provide effectively and adequately for, their families. There is also a loss to society as a whole. There is a host of men and women anxious to engage in productive enterprise and gainful employment who, because of the economic situation, are unable to put their abilities and skills to work, not only in their own interests but in the interests of the nation. We must therefore recognize this problem and apply ourselves diligently to seek a solution thereto.

In a previous debate the Minister of Labour enumerated a variety of measures which the government had put into operation in an endeavour to solve the problem. He spoke about our training program, the winter works program, the winter house building program and others. I believe they are all good, but this does not get down to the basic problem. Until we do this these measures will just be palliatives and will not solve the problem of unemployment from the long term view. I think that the various departments of government rather tend to work against each other in the solution of this problem. A short time ago I gave an illustration where the Minister of Finance introduced certain measures in his budget resolution which we, as well as the people across the country, insisted would be detrimental to labour opportunities. Although there was some relaxation of these particular measures we find they were applied in part and will be further applied in stages as we go along. This has more or less frustrated the activities and plans of the Minister of Labour in his effort to solve the problem.

I wish to refer briefly to the plan to promote employment of workers over 45 years of age. The minister is giving this matter consideration and is urging that older workers be given the opportunity of gainful and productive employment. I suggest it would be a good thing in this regard to clean up our own house first. Someone sent to me a cutting from the Edmonton *Journal* of Monday, June 24, 1963, which is an advertisement for a handyman, and then in parenthesis appear the words "camp steward". This advertisement reads:

> Required for mine operation in northern Saskatchewan, must essentially have carpentry background, with knowledge of routine mechanical and plumbing maintenance, to service company townsite facilities. Applicants must be single, and between the ages of 30-45, position offers starting salary of $450 per month, five weeks annual leave, plane transportation, group pension and welfare benefits, apply in person to—Eldorado Mining and Refining Ltd.

This company is a crown corporation, and it might be a good thing if the government were to give attention to the matter of giving older workers equal opportunities for employment in these agencies which are part of their responsibility. I suggest that matters such as this be taken under advisement and that something be done to ensure that government agencies or crown corporations themselves will not be guilty of discrimination against those over the age of 45. Certain considerations may enter into this problem, but I do not think they should debar these people from providing for their own needs and the needs of those dependant on them.

Perhaps, this matter I am about to raise does not fall directly under the control of the Minister of Labour, but it is a labour problem. The other day on orders of the day I asked a question about certain conservation regulations which have come into force as a result of which a great many fishermen in my area have been unable to engage in fishing during the past fall. When we come back to the fisheries estimates perhaps I will debate this a little further, in light of the minister's reply. Nevertheless an indication was given some time ago that certain measures would be taken to employ these people and to see they had sufficient work to keep them going. Once again, the department should have a vital interest in promoting labour opportunities for those who are deprived of the opportunity of making a living in the field in which they have been engaged. As far as the items on the order paper in connection with vocational training are concerned, they receive our wholehearted support. They are very important because of the changes which are taking place in our economy and in our society. I read recently that it is possible that one person may have to retrain from one to three times during his lifetime because of the changes which are taking place, so it is tremendously important that this work should proceed and that retraining facilities should be made available to all those who because of economic circumstances, have to move from one type of employment to another.

**Mr. Peters:** It is pleasant to see the easy manner in which these estimates are being handled. However, an intervention did take place tonight which highlighted one of the most important issues which has arisen in the labour field. I am referring to the provincial attitude which, I believe, will result in the loss of the Canada pension plan.

When I first came to Ottawa I was aware that in many of the areas under provincial jurisdiction there would never be a pension plan because of the management of certain companies and industries. I worked for the gold mining industry. That industry has probably the most reactionary management group ever assembled in any country at any time. It is certainly hundreds of years behind the times in labour relations. The federal government has not given the proper amount of consideration to the situation in this industry, though it should have done so, because to a large extent the industry comes under the jurisdiction of the central government. It is true that many matters which directly affect the lives and welfare of the employees come under provincial jurisdiction. This industry operates differently from any other. The shareholders who own it seldom live in the gold mining areas; they are dispersed throughout the nation and across the world. They have no connection with gold mining and, often, no connection with any other industry except for the shares they buy and the dividends they clip. This has made the industry difficult to organize and difficult to work in. In these circumstances the workers have looked to the federal government for help in solving at least some of their problems.

In none of the gold mines I know of is there any kind of pension plan. The miners have, accordingly, followed with great interest the suggestions which have been made with regard to pension plans over the past five or six years. I believe a great deal of enthusiasm for the Liberal party was generated by its spokesmen who went across the country campaigning on the basis of a Canada pension plan. Well, if the government had gone about making a mess of things it could not have done a better job than by letting the Minister of National Health and Welfare carry the ball in this field. Not only did she allow the province of Quebec to exercise the provincialism which it finds so very easy to operate when it wishes, but she allowed Ontario to make a stipulation that unless there were changes in the plan Ontario would not be interested, either. As a result tonight, when we are studying the estimates of the Department of Labour, there is no indication before us whether those engaged in the mining industry, the lumber industry and similar industries will be receiving a pension or not.

I was interested in the two provincial statements which were made tonight, because in my opinion they are so unrealistic. I believe the border between one province and another would be a much more physical thing than it is if, say, unemployment insurance benefits were paid on a provincial basis. I am certain there would be as many conditions and stipulations attached to the receipt of unemployment insurance as there are now to the other segments of the labour code administered provincially. There would be no uniformity and no opportunity for workers to travel readily from one province to another. I think it is unrealistic to suggest that the province of Quebec could go it alone, as the hon. member for Villeneuve has indicated it could. It might be his statement is true, as far as it goes. But Quebec only came into its own, industrially, within the last 15 years and there was a long period during which the people of Ontario and other provinces provided many benefits for Quebec which that province was not capable of providing for itself.

I doubt very much if it would be financially possible for the federal government to bring in a Canada pension plan if the provinces of Ontario and Quebec did not participate. I am almost certain it could not be done by the other provinces. We hear people speaking of co-operative federalism, the theory by which the provinces will get together and tell the federal government how far it will be allowed to go. I think this should also be the attitude of the federal government. They should say this. They cannot afford to allow the Minister of National Health and Welfare to go around the country peddling the idea of a plan. Let us call the provinces together immediately, and let the Minister of Labour see what co-operation he can get for a national labour pension plan placed under the Department of Labour, where it rightly belongs.

We have nothing to brag about in Canada with regard to the Department of Labour. I agree that the present minister has done an excellent job since he took office. I agree that the former minister also did well. I will agree that the officials are probably, in the main, better than the officials of some of the other departments which I shall not mention. But I still do not think there is anything to crow about. Our Department of Labour has many shortcomings. Let me give the committee an example. A young fellow who lived in a bunkhouse at Frobisher Bay got into an argument one night with some of his friends about whether the boss of his construction company should pay annual vacation pay. He wrote a short letter to me indicating that this was a simple problem, one which I would probably find no difficulty in answering quickly. Well,

I consulted the deputy minister of labour. He did not have the faintest idea. He referred me to Mr. Wilson who had an idea, because he had made up his mind. He had decided these things many times in the past. He makes up his mind and reaches a conclusion, not because the law is there but because he makes the decisions. That is the way in which it is decided. Well, I did not agree with him. I went to the Northwest Territories council and asked them. The chairman did not know whether this applied in the Northwest Territories or not, though the act says it does. He said he would have to ask his lawyer. I telephoned the lawyer. He said he had not been counsel to that body for over a year. He did not know, but he believed the opinion I had received from the other officials was not correct. We then checked with the Department of Public Works because they were the ones who had the contracts. I found it all hinged upon one simple fact—whether or not the government had declared the contract to be in the interest of Canada, or for the good of Canada.

Unless parliament has declared the contract to be in the interest of Canada there is no right to this holiday pay. One might think that since parliament has, presumably, voted money for the project it would automatically be considered as being in the interest of Canada, but apparently that is not the case. A particular little official has to decide that it is in that category. So, after going through four or five departments I had scarcely any more information than when I began. However, the Department of Public Works intends to be specific next time. Next time they sign a contract, the contract will specify that vacation pay must be paid. We will get around the problem by specifying it in the tender. However, it seems to me if we are going to brag about our Department of Labour we should at least make sure that it does the things we have already decided, as members of parliament, we want to do. Vacations with pay should be granted to the people who come under federal jurisdiction. Let us make this provision apply to contractors in the Northwest Territories.

It is a very remarkable thing that the same young gentleman writes me he is now at home because he has a broken leg. He came out of Frobisher with this broken leg, and he was not getting any money. Where do you think we found the money was coming from? It was coming from a trust company in Montreal and not from a compensation board in Quebec, which is the province adjacent to that area in the Northwest Territories. The payment was coming from a trust company simply because some other arrangement had been made. We cannot take much credit for laws like this.

[Mr. Peters.]

It has been suggested tonight that we should develop a national labour code. I think I can give a warning now that we are going to try to do this when the new territories are set up. We will hold up that bill until we are satisfied with the labour legislation that will be applicable in the new territories. If we are going to set up a new province, let us set up model legislation for the various departments over which the federal government has jurisdiction. Let us not put in some haywire set-up such as we now have which does not apply to those under federal jurisdiction and is completely discriminatory. You almost need a Philadelphia lawyer to find out what it does mean.

We have computers at North Bay now, so perhaps we could use those facilities in order to develop the type of legislation we need. I think a much easier way would be to write in black and white the various provisions we need, so that this federal government would be able to say it is leading the way. Certainly there are members on the liberal side of the house who are familiar with some of the major problems in the labour field. Surely they will have enough gumption to help us develop a labour code of which we can be proud. Let us apply it to the area in which the federal government is responsible.

I am only guessing, but I would think that the federal labour department is probably the third largest such department in the dominion. It would probably follow behind the departments of labour in Ontario and Quebec. It would not be a bad idea, therefore, if the other provinces that were developing new legislation could look at the federal department and say: This program appears to be working on the federal scene, so we are willing to accept it as a minimum in our province. I believe, Mr. Chairman, that about 10 per cent of the working force comes under the jurisdiction of the federal Department of Labour. I think we would find very few of them would be hurt by a minimum wage of $1.25 per hour. I do not imagine anybody would get a wage increase at that level, unless it might be the char staff of the House of Commons or other people in that category. I would think that the eight or nine statutory holidays we would suggest as a minimum for the labour code would be holidays for which the majority of people under federal jurisdiction would be paid. I would think the compensation laws and regulations probably are not worse in the federal field at the moment than the minimum standards we would be able to establish, but they are better than those in most of the provinces.

I think the same situation would apply in nearly all fields that the federal labour code would cover. It would provide the provinces

with an opportunity to upgrade their legislation and in many cases establish unity that is now sadly lacking in much of this legislation.

I believe, Mr. Chairman, that the minister is not going to be too proud of the federal Department of Labour until he can come before the house and say that he and his representatives have been willing to endorse the labour convention adopted in Geneva. We, in Canada, have adopted less of this labour convention than many of the newly emerging nations in Africa. I think it is time the Canadian public demanded of the federal Department of Labour that they give support to these labour conventions. In many cases it is only because the general public is not aware of the fact Canada has not endorsed them that has allowed the government to continue ignoring many of these conventions.

The hon. member for Winnipeg North mentioned many of the problems we have in organizing and establishing union-management relationships. Many of these problems stem from the fact that we have not endorsed and do not support many of the labour conventions that have been endorsed in other parts of the world. These are some of the things to which I think we should give consideration. The hon. member for Halifax mentioned a national labour code, and this has been referred to by the Liberal party since 1919. We have come a long way since that time and yet things that were suggested in 1919 have not been put into legislative effect. I suggest there are many other things that would bring the labour code up to date and give the federal Department of Labour a position of leadership to which the provincial authorities would give consideration.

There are other problems with which we should concern ourselves. I believe one of them is the lack of intervention by the federal Department of Labour in the many contracts that are signed by this government. Many of these contracts are yellow-dog contracts. They are contracts that are a disgrace to this country and a disgrace to democracy. There are contracts that are signed between unions and companies when there are no employees at all. Contracts are being signed years before they are even going to be ratified. I believe this is something to which no government should be willing to lend its support and should not in any way endorse. On many occasions we have raised specific cases of this nature.

I am sure there are many members who have raised specific cases in relation to the building of the trans-Canada pipe line, because it was one of the worst offenders in many of these labour relations fields. The same situation has applied to all gas line construction in every area where secondary lines are being established. You will find contracts being agreed to before there are any employees of the contractor. This system has worked fairly well for the unions and fairly well for the companies, but damned poorly for the employees whom both of them were supposed to be protecting. I think the government should give some consideration to this matter. The one example I cited in the Northwest Territories illustrates the reason I believe the federal government should always supervise the contracts that are being let in those areas in which the federal government has jurisdiction, in the Northwest Territories and in the Yukon. Certainly, it would appear to me that when the Department of Public Works signs a contract with a contractor which does not contain the minimum requirements of federal labour laws, that is not in keeping with the spirit or intention of the labour provisions of the government itself. This is something to which the government should give its attention.

There are many things, Mr. Chairman, I am sure that we could say about the Department of Labour that would be good as well as bad. I am sure the minister will hear the good things from other members. There are some faults in the department that should be corrected. I am sure that as they are drawn to the minister's attention they will be corrected. I would strongly urge him, when he replies, to give us an indication of whether or not he is willing to fulfil this pledge that has been made all across the country to establish a national labour code which would result in the improvement of the standards in all the provinces. If he does this, I am sure it will add to the stature of the Department of Labour and the responsibilities they have.

I feel the minister should be congratulated upon what he did in connection with the recent labour dispute which resulted in the establishment of a trusteeship. Although I am not in agreement with what he did, I think he handled the matter very well. I think he made a good choice in the trustees. The minister should be given credit for the manner in which he has handled this matter, and for the fact he is now willing to have the trusteeship report periodically to parliament. I would only caution him that he is going to have a great deal of difficulty in the future every time there is a problem of national importance. I presume the next problem will be in connection with the railway workers. As soon as there is a problem there will be a huge outcry from the public demanding trusteeship as a solution, in each case where the national economy is affected. This is

going to be hard to do and I am sure the minister will give his attention to the matter.

In closing I would like the minister to keep in mind that his department has been very neglected in the past, in relation to the number of people it serves. In the main the people it serves are highly paid workers in government services across the nation. They enjoy better wages and higher standards than many other people, and if the minister will give the leadership that he is capable of giving, then this can become a much more important department of the federal government.

**Mr. Herridge:** I will detain the committee for only a few minutes, but I cannot resist saying a few words as an old, unrepentant socialist, as a socialist who realizes our economy is controlled by the power elite who own the commanding segments of our economy, as they do in the United States, in Great Britain and in a large part of Europe. However, regardless of this unfortunate situation, I wish to congratulate the minister on his appointment and we all wish him well in all he undertakes to modify the ill effects of the system under which we live. I know he is well intentioned, as are most of the members of the house. All of us want to do something to improve the situation under which we live, by pecking away at it slowly from day to day.

I am one who recognizes that under a capitalist democracy it is parliament's role to do what it can to bind up the casualties of capitalism by labour legislation and by unemployment insurance, which in reality is an insurance against revolution. If we did not have unemployment insurance we would have unemployed workers marching down the streets of every city in the country. We all want to do the best we can with social legislation, and so on; but regardless of this, here we are living in this prosperous country, rich in natural resources, and we have hundreds of thousands of Canadians unemployed. Why? They are unemployed because parliament does not control the economy of the country. That economy is controlled by the power elite I first spoke of, whose first concern is the profits of their corporations and not the welfare of the Canadian people or their responsibility to them as a whole.

I give due credit to the minority who do something to consider the communities in which they live, and for the employees whom they employ. However I want to illustrate this situation briefly because it sticks in my gizzard when I think of it.

The other evening I mentioned a mine in British Columbia, the Reeves MacDonald mining company which is a subsidiary of a United States corporation. The minister's parliamentary secretary knows all about it and I am sure he is sympathetic to the plight of the unemployed miners. Here is a company which refuses to pay its workers the going wage in the district, workers who have the moral support of all communities in the Kootenay area. This company, which made large profits and transferred them to the major holding in the United States, although it has this large Canadian natural resource, refuses to do the right thing by its employees.



Then there is the Falconbridge mining company which has done very well out of Canada and which has very valuable property in it. But because of automation and changing smelting methods it has laid off hundreds of men, and it does not consult the government of Canada to see what it can do for their benefit. However I am sure the minister will do all he can to modify the ill effects of this type of lay-off.

Then we have International Nickel, which has disclosed its intention to lay off about 2,000 workers, at a time while we in this house are trying to do what we can about the unemployment situation. I say without any hesitation that these large corporations are not accepting their responsibilities to the Canadian people and to parliament.

We have large coal resources in Alberta and British Columbia, and we have this manpower idle. I am not saying they can all be coal miners, but what are we doing? We are inviting capital from Japan to develop our coal mines.

Our farmers on the prairies have prospered in recent times, but we cannot pat ourselves on the back on that account. They are prosperous because of the needs of the people of China, the Soviet union and various other countries.

I want to emphasize the fact, and I do not think it can be satisfactorily denied, that powers beyond the control of this parliament actually dictate the direction of the economy, who shall work and who shall be unemployed. All we in parliament can do is bind up the wounds caused by the defects of the system under which we live. I say this without any fear of contradiction, and recognizing all that has been done by parliament to remedy the situation in, shall I say, a tidbit approach, which is the only approach it can take under these circumstances unless it is willing to face the situation head on and challenge these corporations.

Unemployment for thousands will continue as one of the effects of the system under which we live, periodic large scale unemployment, poverty for many people in our country,

low standards of living conditions, and insecurity for many people until parliament is willing to take action to own or control the major sections of our economy. When I say "control" that does not mean we are going to interfere with the day to day operations of corporations, but rather make them accept some responsibility as a result of their control of natural resources which have been granted to them by federal and provincial governments.

In wartime we can mobilize all our labour, create prosperity and do anything we wish to undertake that is physically possible. But in peacetime we sit here doing the best we can, improving this piece of legislation and that piece of legislation, and yet not really doing anything to solve the problem over a long term basis. In 1945, during the last world war loan, we raised over $2 billion in Canada.

I suggest we have got to meet this challenge head on in the not too distant future if we are to maintain democracy in this country and give the Canadian people the prosperity and security to which they are entitled. Parliament can meet these needs at the present time if it is willing to do that, if it is willing to challenge the power of these people who will not accept their responsibility, if it is willing to employ the capital resources of the country and say profits will not come first, but rather the welfare of the Canadian people. That is all I have to say, but I could not resist these few remarks.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I will not delay the minister too long from making his final comments, but there are a few things which have to be said when we are discussing this problem of unemployment. I should say, perhaps in contradistinction to my distinguished colleague from Kootenay West, I feel I am not so much an unrepentant socialist as an analytical socialist, and it is because I am an analytical socialist I feel some things have to be said in the context of this debate on unemployment.

I always have the feeling when we discuss unemployment that we are dealing in unrealities, or that we are trying to fit facts into a framework that no longer exists. I have much the same feeling when we discuss defence matters, that we seem so foolishly to be attempting to devise a policy for defence that is fitted to a set of circumstances that dissolve before our eyes.

I would like to put on the record one or two quotations from a document produced by a very responsible organization, the fund for the republic research organization in the United States, under the presidency of Dr. Robert M. Hutchins, president emeritus of Chicago university. They produce what they call occasional papers and they have issued one quite recently called, "Consumers of Abundance" which is very apropos of our debate tonight:

> The advance of science has for many years been undermining the two pillars of our economy—property and work. Each at length has fallen from its place. Property is no longer the primary source of economic power, and ownership no longer establishes the significant, functioning connection between people and the things they consume... Public understanding must eventually overtake this transformation in the relationship of modern man to his physical environment. Fundamental changes in the social order—in man's relationship to man—are therefore in prospect and are already in process... Full employment, for example, now seems to be not only an unattainable but an outmoded objective of economic policy. What takes the place of wages in a workless society? If such a question must be asked, then others follow. Does profit remain a useful standard of accounting in a propertyless society? But these questions are not only too big; they are premature. Before they can even be asked, the scientific revolution that occasions them must be more closely examined.

Then the paper proceeds to examine some features of the scientific revolution. There is one very interesting report concerning the Middle East with regard to which they say:

> Obviously, the purpose in designing the automatic petroleum refinery is not to replace the one or two human operators who still remain on the payroll. This was the naïve idea of a Middle Eastern petroleum prince for whom an American oil company was building a refinery not long ago. Out of consideration for the underemployed fellaheen who were to squat in the sand outside the refinery fence, he asked whether jobs might not be created by disengaging the robots from the valves. The engineers took him seriously enough to re-examine the entire control system. They had to conclude that no team of human beings could be trained and co-ordinated to do its work.

Then they have some interesting figures.

> In the last 10 years, however, as the index of manufacturing output has climbed from 75 to 110, the number of production workers has hovered around 12 million. It is evident that the number is now due to decline. In the electrical industry, for example, production employment shrank by 10 per cent in the six year period from 1953 to 1959; during that same period production in this industry increased by 20 per cent.

Then they have this to say:

> In the long run, larger questions must be asked and answered. If a fraction of the labour force is capable of supplying an abundance of everything the population needs and wants, then why should the rest of the population have to work for a living? Preposterous alternatives come forward: give away programs on television suggest that television might be employed to give the abundance away instead of trying to sell it. If production cannot be maintained at a profit under such circumstances, then why should a profit be made? Some other standard of accounting might serve even better to reduce waste and inefficiency.

Then they also say:

> The nation's principal economic problem has become that of certifying its citizens as consumers of the abundance available to sustain them in tasks worthy of their time. What disturbs the scarcity economist, of course, is that such certification is likely to be provided by the public payroll. It

must be recognized, however, that these activities—along with urban rapid transit, the enhancement and conservation of natural resources, public works, the best kind of medicine, the operation of museums and so on—have never been or can no longer be conducted at a profit. Most of these activities and institutions are now short-changed. With abundance to support the expanding portion of the population engaged in them, we may anticipate that they will assume a higher priority in our civilization.

Then they go on to say:

A really adequate program of assistance to the underdeveloped countries might engage large numbers of disemployed factory workers in teaching their skills to people now entering on their industrial revolution. For some time to come, we can be sure, the real work that remains to be done in the world will stave off the spectre of universal leisure.

But I would point out that in order to do so there will have to be what some of us have been advocating in season and out of season for a very long time, that the productive capacities of our society must be placed at the disposal of such work. It will be impossible, for instance for Canada or any other industrialized country to play a significant part in this work of developing the undeveloped areas of the world unless the surplusses which accrue from our industrial society are made available for that work.

That will require a vast overhaul of our entire fiscal system. It will entail a vast overhaul of our whole system of private ownership. It will necessitate enormous public expenditures both directly within our country and in the shape of long term credits to these areas.

I suggest to you, Mr. Chairman, that until the government, either now or in the very near future, faces this problem it will be wasting its time and destroying the hopes of the Canadian people if it produces again and again these ideas that in some way or another we can solve the problem of unemployment in a world which has a decreasing demand for human labour and an increasing capacity for producing material goods. These are the problems we should be facing now, rather than introducing gimmicks to try to put one or two men to work here and keep them at work a little longer or retrain them in the hope that the job for which we retrain them will not disappear before they come on the labour market. Let us reorganize our economy and really solve this problem of production and distribution in a modern industrial society.

**Mr. MacEachen:** Mr. Chairman, I will not take very much time in replying briefly to the comments which have been made by hon. members. First, I wish to thank all members who took part in the debate and who were kind enough to extend their good wishes to me and to the Department of Labour, and also to those members who pointed out to me and the department ways in which the service of the Department of Labour could be improved. I want to assure members of the committee that each of the suggestions put forward tonight will be given the most careful consideration in an effort to apply them in the way that has been suggested by hon. members opposite and on this side of the house as well.



I might mention to members of the committee that in the past several months the energies and activities of the Department of Labour have been almost entirely absorbed in problems of industrial relations. I think it is a fact that in this field the Department of Labour carried the heaviest burden it has carried since away back in the war years, at least, according to some of the experienced personnel of the department. I certainly share the views expressed by the hon. member for Ontario and others with respect to the capacity and dedication of the officers of the Department of Labour.

But notwithstanding these other absorbing activities in the field of industrial relations we have been actively aware of and actively concerned with a number of other problems that have been raised by hon. members opposite. The national employment service is a very important service and I do not think its role has been overstressed at all by the discussion this evening. As I indicated on Tuesday, we have taken steps to strengthen the personnel resources of the national employment service to make it more aggressive and more effective in the allocation of manpower in Canada in a systematic way.

The Gill committee recommended that the activities of the national employment service could be strengthened by severing this service entirely from the unemployment insurance commission and placing it under the direction of the Department of Labour, so that the two phases of the manpower problem, the placement phase and the policy phase, could be properly interrelated and integrated to the benefit of both sides of the equation. At present this problem is under very active consideration and I hope that in the near future it will be possible for me to make an announcement indicating that some steps have been taken in this direction in strengthening the further work of the national employment service.

The matter of the labour code has been raised by the hon. member for Halifax, the hon. member for Winnipeg North Centre, the hon. member for Timiskaming and others. I certainly share their enthusiasm and interest in a national labour code covering most of the items enumerated by the hon. member for Winnipeg North Centre, which are also

in my own mind as the principal ingredients of such a national labour code. It is my view that it might be preferable to bring all these items together, if possible, into a single piece of legislation and have it regarded as a code setting a level for employment standards in Canada.

It is true that the national leader of the Liberal party indicated to the people of Canada in the last election campaign that this would be undertaken by a new Liberal government. As far as I am concerned as Minister of Labour, I have not lost my interest or my determination to pursue this particular commitment to a successful conclusion, and the Department of Labour has already undertaken very extensive preparations in the direction of the development of a national labour code. I hope that the words I used in reply to a question asked by the hon. member for Winnipeg North Centre will be appropriate and valid as time goes on.

**Mr. Knowles:** How long does it have to go on?

**Mr. MacEachen:** The words "in due course" are indefinite, but I hope they will not be so indefinite as to test the patience of the hon. member for Winnipeg North Centre unduly. We are working actively on this matter at the present time. I should like to be able to assure the committee, but I am not in a position to do so, that this problem will be dealt with at once, but it is not being neglected by any means and it is under consideration not only by the Department of Labour but by the government as a whole at the present time.

A number of other matters were raised. The hon. member for Winnipeg North Centre referred to the ratification of I.L.O. conventions. We are presently taking steps to ratify the convention with respect to discrimination in employment in occupations in Canada and are seeking the concurrence of provincial governments to ratify this convention at an early date.

I think these are the main general points raised by hon. members requiring immediate reply. All proposals which have been made with respect to the Industrial Relations and Disputes Investigation Act will receive consideration in an orderly development of the program to strengthen the efficacy of the Department of Labour in the fields I have enumerated.

**Mr. Knowles:** I wonder whether the minister would summon up courage and assure us that these things he has talked about will appear before us in the form of legislative proposals not later than next session: amending the Industrial Relations and Disputes Investigation Act; a national labour code; implementation of whatever is to be taken from the Gill commission report? I could go on, but if he would assure us of those three for the next session he would be a great Minister of Labour.

**Mr. MacEachen:** Subject to the approval of a number of other persons directly involved, I have no hesitation in saying that we will want to take action on the Unemployment Insurance Act and the labour code within the time mentioned by my hon. friend. I would be very rash indeed to give the same kind of assurance with respect to the Industrial Relations and Disputes Investigation Act because, as at the present time, I have not, nor has my department given the kind of consideration in depth to the proposals put forward to justify my giving an assurance of that kind. However, we will consider these proposals and perhaps at a later date I will be glad to add this particular suggestion to the rather optimistic prospect I have given in connection with the other two.

**Mr. Churchill:** We are in a very co-operative mood tonight on this side and have not said a word for two and a half hours. Could we continue a little longer and pass this department? I point out the fact that by way of interim supply we have already passed eight out of the 12 months supply for the fiscal year 1963-64. Money has been spent and programs are going forward. There are still another 15 departments to consider before the Christmas recess and we are prepared to sit longer tonight and pass the department. However, if there is not a disposition on the part of the house generally to complete the department I am not sure we would want to sit more than another 10 or 15 minutes.

**Mr. Knowles:** We are all in a co-operative mood but we have been in session since eleven o'clock this morning, and many of us started at nine o'clock. Speaking for my friends over here we would be willing to let item 1 carry so that the general discussion will be over, but we feel the other items are important and deserve more consideration. With the passing of item 1 I think we should recognize it is ten thirty.

Item agreed to.

**Some hon. Members:** Ten thirty.

Resolutions adopted in committee of supply this day reported and concurred in.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** May I ask the acting house leader if he can outline the business for next week?

*Business of the House*

**Mr. MacNaught:** On Tuesday we will have a supply motion. On Wednesday we will take the third reading stage of the Income Tax Act. When that is completed we will consider the resolutions, first, respecting the appointment of a sessional committee on railways, air lines and shipping and, second, with respect to vocational training. I am not sure in which order these resolutions will be taken. I regret very much I cannot project the legislation beyond that stage but negotiations will go on on Monday to arrange something.

**Mr. Churchill:** Tuesday.

**Mr. MacNaught:** I would remind the house that we meet at eleven o'clock on Tuesday.

**The Acting Speaker (Mr. Batten):** It being ten thirty o'clock, pursuant to special order passed on Friday, November 1, this house stands adjourned until eleven o'clock on the morning of Tuesday next.

It being twenty seven minutes before eleven o'clock the house adjourned, without question put.

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The following items were passed in committee of supply this day:

DEPARTMENT OF LABOUR

A—Department

General administration—

1. Departmental administration including grants as detailed in the estimates and the expenses of the international labour conferences, $1,290,400.

1a. Departmental administration, $15,000.

# HOUSE OF COMMONS

**Tuesday, November 12, 1963**

The house met at 11 a.m.

## PRIVILEGE

MR. ORLIKOW—AVAILABILITY OF REPORT RESPECTING T.C.A. WINNIPEG MAINTENANCE BASE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I rise on a question of privilege. On numerous occasions in this house questions have been asked of the government in respect to the proposed move of the T.C.A. repair facilities from Winnipeg to Montreal. The matter has been debated on various occasions in the house, and an important factor in the decision to move the repair base was a report submitted to the management of T.C.A. by a management consultant organization, Dixon-Speas.

On numerous occasions members of the house, as well as the government of the province of Manitoba, have asked that this report be made available to them so that the information and recommendations contained in it could be analysed and assessed. To date the government has refused to make this report available, either to members of the house or to the government of Manitoba; yet the Winnipeg *Free Press* of November 5 carried a report that the hon. member for Winnipeg South (Mrs. Konantz) wired the Prime Minister urging the appointment of a new person or tribunal to study the whole question.

The same news story reports that the Prime Minister replied that such an appointment would be an evasion of the government's responsibility and merely another delaying action, and the Prime Minister suggested that:

> —the government of Manitoba and appropriate bodies in Winnipeg put forward all the evidence they could assemble on these other factors.

The same issue of the Winnipeg *Free Press* reports:

> Mr. Pearson's telegram was read at the Winnipeg South Liberal association meeting Monday night. Mrs. Konantz said she had seen the Dixon-Speas report and could understand why it could not be made public. She said it contained information which could not be given to Canadian Pacific Air Lines, T.C.A.'s main competitor.

My point of privilege is that members of the house and the Manitoba government have been refused access to this important document upon which rests the main argument for the movement of T.C.A. repair facilities from Winnipeg to Montreal, while the document has been shown to the hon. member for Winnipeg South. This demonstrates again partiality to government members and is an infringement of the rights of all other members of the House of Commons.

**Mr. Speaker:** Is there any other member who wishes to speak to this question?

**Mr. Knowles:** We would like to hear from the Minister of Transport.

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I regret that I only heard part of the statement as I was coming into the chamber. However, if I heard it correctly it raises a very important matter. Certainly I would want to consider it quite carefully before making a statement on it, because this report has not been shown even to my colleagues. Probably I should not develop the subject without knowing what was said by the hon. gentleman. Perhaps I should look into his statement quite carefully when I have the actual text.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** In this connection, may I say that this appears to be another step toward contempt of parliament, and I should think the Prime Minister would be the one who would answer as to whether information was made available to the Liberal association of Winnipeg that has been denied to the parliament of Canada.

**Right Hon. L. B. Pearson (Prime Minister):** I can deny that statement at once. Naturally I would be very glad to look into the report that has been given to the house from the press, and, either the Minister of Transport or I, if there is anything to be said on this matter, will say it in the house. Surely we cannot be expected to comment on a newspaper report of this importance without having had an opportunity to look into the matter. However, as far as the hon. gentleman's statement is concerned, I can deny it at once.

**Mr. Speaker:** I have to decide whether there is or is not a question of privilege. Once more I should like to refer to Beauchesne's fourth edition, citation 113, which reads in part as follows:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in

the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or apply a remedy.

I noticed that no motion followed the question of privilege. In the circumstances I must rule this is more in the nature of a criticism or a complaint than a question of privilege.

**Mr. Orlikow:** May I say that I shall be glad, after I hear the statement by the minister explaining precisely what has happened in this matter, to move a motion tomorrow or whenever the minister may make his statement.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** I think it should be made clear this is not merely a complaint. The hon. member is raising a matter which is of vital concern to the privileges of this house, in that a document which has been denied to members of parliament and the government of Manitoba allegedly, according to the press, has been made available to a member of this house sitting on the government side. This is certainly a matter of privilege and not merely a complaint, if the hon. member's own statement is correctly reported. I think an explanation is due from the government as soon as they have an opportunity of interviewing that member and finding out whether she actually made the statement attributed to her.

**Mr. Speaker:** As I said before, there is no doubt about the importance of the matter. However, if it is that important it should be followed by a motion. No motion was presented this morning. I do not mind taking the matter under consideration for a day or so. I think we will just leave it there, and I will take it under consideration and give a final decision tomorrow.

[*Later:*]

On the orders of the day:

**Mr. W. H. Jorgenson (Provencher):** Mr. Speaker, I would like to direct a question to the Minister of Transport. Could the minister tell us whether he has shown a copy of the Dixon-Speas report to the hon. member for Winnipeg South?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I think that question is wrapped up with the allegation made by the hon. member for Winnipeg North. I did not hear the whole of that allegation; I heard only the latter part of it, and it seems to me it is of the utmost gravity and seriousness. Therefore I would prefer to take the question as notice and leave it to be answered with the other.

[Mr. Speaker.]

**Mr. Jorgenson:** I presume then the answer is yes.

**Mr. McIlraith:** The hon. member has no right to make any such presumption.

**Mr. Fleming (Okanagan-Revelstoke):** How could he make anything else?

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I ask the Minister of Transport or the Prime Minister whether arrangements have been made with a delegation from Manitoba to meet with the federal government, concerning the question of the transfer of the T.C.A. overhaul and maintenance base from Winnipeg and, if so, what will be the date of that meeting?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, to my knowledge there has been no request for another meeting, but I will have to look into that matter and see if a request has come in over the week end. If a request is made, naturally we will be very glad to receive the delegation.

[*Later:*]

**Mr. Knowles:** Mr. Speaker, may I direct a question to the Minister of Transport. Does the minister need notice to answer the question whether or not he showed the Dixon-Speas report to the hon. member for Winnipeg South?

**Mr. McIlraith:** The answer to that question would be no.

**Mr. Knowles:** As a supplementary question, in view of the minister's clear statement that he does not need notice, then will he not now answer the question?

**Mr. McIlraith:** Well, it should be perfectly clear to the hon. gentleman that I did not show it to the hon. lady. The question arises out of the press release referred to earlier. I did not hear the statement made by the hon. member for Winnipeg North, except the latter part of it, and since that time I have tried to obtain a copy of his statement. Regrettably, I have not been able to obtain it because he had only one copy and it has gone to the *Hansard* staff. He did however send me the press clipping, the latter part of which there is an allegation to the effect that the hon. member saw the report. I certainly did not show the report to the hon. member.

**Mr. Jorgenson:** On a supplementary question, perhaps I can help the minister here. I have a copy of the Winnipeg *Tribune* of November 5, and in quotation marks there is a statement made by the hon. member for Winnipeg South:

"Mr. McIlraith showed me the Dixon-Speas report last week in Ottawa and I can understand why it cannot be sent out at this time".

**Mr. Diefenbaker:** That is a loaded question.

**Mr. Pickersgill:** It is a loaded quotation.

[*Later:*]

**Mr. Knowles:** Mr. Speaker, earlier today you indicated that you would consider between now and tomorrow the question of whether or not there is a prima facie case of privilege on the point raised by the hon. member for Winnipeg North. I rise to ask that in considering this you will bear in mind the statements now given to the house, one by the hon. member for Winnipeg South, through the press, that the Minister of Transport showed her the Dixon-Speas report, and the other a denial by the Minister of Transport. Surely in the light of these statements, if substantiated, there will be a prima facie case of privilege for a motion tomorrow.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, since the hon. member for Winnipeg South is not here, it would perhaps be chivalrous and also courteous for the house to let the hon. lady speak for herself before we reach a final decision on whether any question of privilege exists.

**Mr. Knowles:** Is not the Secretary of State aware that she spoke for herself at the Liberal association meeting?

**Mr. Pickersgill:** That is a newspaper report.

## BROADCASTING ACT

AMENDMENT TO CHANGE NAME OF CORPORATION

**Mr. Jean Chretien (St. Maurice-Lafleche)** moved for leave to introduce Bill No. C-104, to amend the Broadcasting Act.

**Some hon. Members:** Explain.

[*Translation*]

**Mr. Chretien:** Mr. Speaker, the object of this bill is to substitute for the names Canadian Broadcasting Corporation and La Société Radio-Canada a name having the same meaning in both official languages; Radio-Canada.

[*Text*]

Motion agreed to and bill read the first time.

## CANADIAN FLAG

REPRESENTATIONS OF CANADIAN LEGION RESPECTING RED ENSIGN

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, would the Prime Minister tell the house what answer he gave yesterday to the delegation from the Royal Canadian Legion which asked that the Canadian ensign be continued as, or redeclared to be, the national flag of Canada?

*Inquiries of the Ministry*

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I was not asked by the delegation which I had the privilege to see to give any answer to their statement on this matter, and no answer was given. I repeated to them, however, the commitment that this government had entered into for the production through parliament of a Canadian national flag within two years of being elected.

**Mr. Diefenbaker:** Would the Prime Minister say whether such a flag will come before parliament, or simply be declared by way of order in council to be the national flag of Canada?

**Mr. Pearson:** This is a very important question of government policy and procedure affecting action to be taken in the future, and I do not think the matter can be dealt with on orders of the day.

**Mr. Diefenbaker:** Mr. Speaker, this is a matter of importance now in view of the representation made yesterday. I therefore ask the Prime Minister whether he will give the house the assurance that the government does not intend to take direct action in this regard by order in council.

**Mr. Pearson:** Indeed, Mr. Speaker, I will be delighted to give the house that assurance.

## NATIONAL DEFENCE

NATO—STATEMENT RESPECTING MULTILATERAL NUCLEAR FORCE

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Prime Minister. The NATO parliamentarians' conference have brought down a report from their military committee in which they describe the United States proposal for a mixed manned nuclear force as a military superfluity and therefore a waste. They go on to say that any increase in the nuclear force at the disposal of NATO would be superfluous.

I wish to ask the Prime Minister to what extent the Canadian government accepts this recommendation and agrees with it; and whether these views are being taken into consideration in the formulation of Canadian policy on defence and external affairs.

**Right Hon. L. B. Pearson (Prime Minister):** I have not seen the report in question, but I shall have the privilege of consulting with the chairman of the Canadian parliamentary delegation to the conference at lunch today. As far as a multilateral nuclear force is concerned, the position taken by the Canadian government regarding its participation has already been declared. As to the general

question, I think I should wait until I have consulted with the chairman of the delegation and studied the report.

## DEFENCE PRODUCTION

### CONSTRUCTION IN CANADA OF SUBMARINES FOR CANADIAN NAVY

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** I wish to direct a question to the Minister of National Defence. Could the minister tell us why he did not ask for price quotations from Canadian shipyards for building submarines in Canada?

**Hon. Paul Hellyer (Minister of National Defence):** Because there has been no requirement for submarines, except for the three training ships which were ordered as part of production sharing arrangements.

**Mr. Balcer:** Why did the hon. gentleman not inquire among Canadian shipyards to see whether it would have been possible to build submarines in Canada before these three training submarines were ordered?

**Mr. Hellyer:** I am sure it would have been possible to build them here. I do not know what the price would have been. But, as I tried to make clear to the defence committee, this was a production sharing arrangement involving other considerations, and it was on that basis that the decision was made.

### CLARESHOLM, ALTA.—DISPOSITION OF FORMER R.C.A.F. BASE

On the orders of the day:

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, I direct my question to the Minister of Industry. What are the present plans of the government regarding disposal of the buildings and the property of the former R.C.A.F. base at Claresholm, Alberta?

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, this has been a somewhat long and difficult disposal problem with respect to Claresholm. I am glad to say that negotiations are now under way with the government of the province of Alberta looking toward an early conclusion of this particular problem.

## ARTS, LETTERS AND SCIENCES

### ROYAL COMMISSION—SUGGESTED REDEFINITION OF TERMS OF REFERENCE

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** I should like to address a question to the Prime Minister arising out of public discussion relating to preliminary hearings of the royal commission on biculturalism. I should like to ask the Prime Minister whether he has given any consideration to redefining or reissuing the terms of reference of the commission, particularly as the discussions appear likely to involve the federal-provincial conference.

**Right Hon. L. B. Pearson (Prime Minister):** No. It was felt that the original terms of reference would be satisfactory for the purpose we had in mind. If as a result of the hearings now being held the commission itself feels there should be some change in the terms of reference, we would be pleased to consider the matter with the commission.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I ask a supplementary question? Is the Prime Minister thinking of inviting observers from the royal commission on bilingualism and biculturalism at the next federal-provincial conference to be held in November of this year?

[*Text*]

**Mr. Pearson:** I do not think that would be a very constructive idea.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I have another supplementary question to put to the Prime Minister.

Since it seems obvious that the main stumbling block at present is the taxation question, does not the Prime Minister feel it would be a good thing if the members of the royal commission were made aware of the opinions of both parties as regards tax redistribution?

[*Text*]

**Mr. Pearson:** It might be of some interest to them, as it would be of interest to the royal commission on taxation and to the royal commission on health problems.

[*Later:*]

On the orders of the day:

[*Translation*]

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

Does the minister intend to revoke the terms of reference of the royal commission on bilingualism and biculturalism, since the "Conseil de la vie française", through Mr. Florian Carriere, has found the commission's terms of reference to be unconstitutional due to the fact that culture, the same as education, comes under provincial and not federal jurisdiction?

**Hon. Maurice Lamontagne (President of the Privy Council):** No, Mr. Speaker.

**Mr. Pigeon:** Mr. Speaker, may I ask a supplementary question?

Could the minister tell the house whether he will ask the commission to begin by recognizing both the existence and the equality of the two nations, as suggested by the St. Jean Baptiste societies, so that the work of the commission will not be hindered?

**Mr. Lamontagne:** I believe the terms of reference of the commission are sufficiently clear on that subject.

[*Text*]

## WATER RESOURCES

SUGGESTED DIVERSION OF COLUMBIA WATERS TO PRAIRIES

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** I wish to direct a question to the Secretary of State for External Affairs. It is logical, topical and national in scope.

**An hon. Member:** The Kettle valley railway.

**Mr. Herridge:** My question is based on the fact that Canada has complete control of the Peace and Athabaska rivers and can divert these waters for the use of prairie consumers whenever required in the future.

Would the minister inform the house whether serious consideration is being given to the proposals made by the government of Saskatchewan for diversion of 6,000 cubic feet per second of water from the Columbia to meet the near future consumptive needs of the prairie provinces before Canada loses the right to divert such a quantity of water under the proposed treaty?

**Hon. Paul Martin (Secretary of State for External Affairs):** I have had a considerable amount of correspondence with the premier of Saskatchewan on this very subject. The premier has made public the correspondence between the two governments concerned. I felt that this was not the way in which to conduct public business, but since the hon. member has asked this question I shall be glad to table the correspondence I have had with the premier of Saskatchewan on this matter.

I might also say that there are no provisions in the proposed Columbia river treaty which derogate from or purport to interfere in any way with the right to use the waters of the Columbia river system in Canada for consumptive purposes. The phrase "consumptive uses" is defined in the treaty as use which would meet demands for irrigation purposes.

**Mr. Herridge:** A supplementary question, Mr. Speaker. When the Secretary of State for External Affairs says there is nothing in the treaty that prevents use for consumptive purposes, does that mean we can divert 6,000 cubic feet per second from the Columbia under the proposed treaty?

**Mr. Martin (Essex East):** That means that the demands of irrigation are not in any way involved or precluded under any term in the Columbia river treaty.

## EXTERNAL AFFAIRS

BERLIN—REPRESENTATIONS TO U.S. RESPECTING RECENT INCIDENTS

On the orders of the day:

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, at this time perhaps I might deal with the question asked on Friday by the Leader of the Opposition and that asked on Thursday by the hon. member for New Westminster with regard to the autobahn to Berlin.

I should say at once, of course, that we reject the implication in at least one of the questions with regard to the recent incident; it was suggested that the incident arose from provocative action on the part of the United States. On the contrary, the incident was the third in less than a month when the Soviet union has interfered with legitimate allied traffic.

There has, therefore, been no need on the part of Canada to make representations to the United States authorities. Throughout the recent incidents United States policy and resultant actions have been closely co-ordinated with the United Kingdom and France, who share primary responsibility concerning Berlin. We have been, of course, in close contact with the United States and our NATO allies who have acted in this matter, I believe, with care and restraint.

Although focused on what may seem to be minor points of procedure, incidents of this kind represent a continuing pressure by the Soviet union on the essential western right of free access to Berlin. They serve both as a reminder that this divided city remains a serious friction point in the improved east-west atmosphere and as a warning that the basic issues between east and west remain unsolved. Moreover, they reflect the ambivalent policy of the Soviet government, which on the one hand proclaims a policy of peaceful co-existence and, on the other, has recourse to military pressures in situations like those surrounding western rights of access to Berlin.

It is, of course, our view that all countries should seek to avoid provocative action particularly in delicate situations such as Berlin. We therefore hope that the Soviet union will ensure that their forces on the Berlin

autobahn will cease to mar the improved atmosphere in east-west relations by such pressures, and will approach relations with the west in a manner which will be conducive to the conclusion of further and, we would hope, important agreements.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, that free access to Berlin for the three powers is essential is not denied by any Canadian. In view of the rather lengthy reply by the Secretary of State for External Affairs, in which he pointed out particularly the shortcomings of the U.S.S.R. in this regard, I ask him whether he has made any representations to the ambassador of the U.S.S.R. as to the need of there being no provocation on the part of the U.S.S.R.

**Mr. Martin (Essex East):** On this specific point I have made no such representations to the ambassador of the Soviet union in Ottawa, but I have talked with the ambassador on a number of occasions about various matters and I have made suggestions which I believe, if followed, could considerably improve relations between east and west.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** Mr. Speaker, I have a question for the Secretary of State for External Affairs. It arises from a hot dispatch from Newfoundland to the effect that the premier was invested with the grand cross of Prince Henry the Navigator, thereby entitling him to be called Sir Joey. Does this indicate a reversal of policy on the government's part with respect to titles?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the answer to that question is, of course, that there has been no change of policy, unless the hon. gentleman wishes voluntarily to assume one.

## INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO LOCATION

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Industry and ask him whether the atomic energy control board have recommended that the heavy water plant which is in contemplation should be located in the Crowsnest pass area and, if so, is this recommendation going to be accepted by the government?

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, the atomic energy control board have not recommended that the heavy water plant be located at Crowsnest pass.

**Mr. Douglas:** May I ask the minister what location they have recommended?

**Mr. Drury:** They have made no recommendation as to location.

## DOMINION-PROVINCIAL RELATIONS

QUEBEC—REPORTED AMOUNT OF PAYMENTS FROM FEDERAL TREASURY

On the orders of the day:

[*Translation*]

**Mr. Gerard Girouard (Labelle):** Mr. Speaker, may I put a question to the Minister of Finance?

I know that without being given notice of my question, he will not be able to give me the exact figures, but I would like to know if the premier of British Columbia's statement to the effect that the province of Quebec has drawn last year $69 million more than it had paid in the federal treasury seems sensible?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I do not know exactly what the Premier of British Columbia said. I will look it up and give my hon. friend an answer tomorrow.

## SUGAR

REQUEST FOR ACTION RESPECTING RISING PRICES

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the Minister of Justice, which has just come to mind. In view of the fact that sugar is now selling at 22 cents a pound in the province of Quebec, has not the time arrived for drastic action on the part of the government to meet the situation?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I do not know whether the hon. member was in the house last week when, in answer to a somewhat related question put by his leader, I said it was the intention of the Minister of Trade and Commerce to deal with this matter in a statement in the early part of this week, and I understand that is still the intention of the minister, sometime either today or tomorrow.

**Mr. Howard:** What about British Columbia?

**Mr. Chevrier:** He will deal with the British Columbia situation as well.

## HISTORIC SITES AND MONUMENTS

REQUEST FOR FEDERAL AID IN RESTORATION OF OLD QUEBEC

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I put a question to the Minister of Northern Affairs and National Resources?

Does the federal government intend to share financially in the restoration of old Quebec, that is its historical section, as it does at the present time for the fortress of Louisburg?

[*Text*]

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, in reply I might say we have had no representations in respect to this matter at all.

[*Translation*]

**Mr. Pigeon:** A supplementary question, Mr. Speaker.

Should the minister receive an official request from the government of the province of Quebec, would he comply with such a request?

[*Text*]

**Mr. Speaker:** This question is out of order, and I think the first question should have been on the order paper.

## BUSINESS OF THE HOUSE

CONSUMER CREDIT—INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I have a question for the Secretary of State. Could he tell the house when he intends to appoint the joint committee of the Senate and the House of Commons on the problem of consumer credit, and when will that committee start to function?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** I understand, sir, that on Friday the house agreed to set up this committee, and I have no doubt that my hon. friend the Solicitor General and the assistant government whip—because the chief whip is ill—will be in touch with hon. members in other groups and parties in the house right away with a view to getting the appropriate personnel.



## AGRICULTURE

MILK—REQUEST FOR RE-ESTABLISHMENT OF SUBSIDY

On the orders of the day:

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, I have a question for the Minister without Portfolio. As the self-appointed champion of our farmers, does he intend to submit representations to the government and ask for the re-establishment of the 25 cents grant per hundred pounds of milk, the abolition of which has inflicted a loss of $6 million on our milk producers?

[*Later:*]

**Mr. Ricard:** Mr. Speaker, I should like to direct a supplementary question to the Minister without Portfolio. Does his refusal to answer the question indicate the extent of his interest in the farmers' problems?

[*Text*]

**Mr. Speaker:** Order.

## FINANCE

AUTOMOBILE PARTS—REPORTED INCREASE IN U.S. TARIFFS

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, on Friday last the hon. member for Burnaby-Coquitlam asked me a question arising out of a newspaper report of a speech made by the president of the B. F. Goodrich Company concerning United States tariff treatment of certain imports from Canada, tractor tires and rubber sealing strips, and he asked me specifically whether there is any retaliatory action involved by the United States.

I stated at that time I was confident there was no retaliation, and I would like to confirm that. About a year and a half ago, in May 1962, the United States enacted the U.S. tariff classification act of 1962, which was the latest of a series of laws enacted with the purpose of simplifying and modernizing their tariff schedules. U.S. law specifically states that the intent of this reclassification is not to raise duties, but there are increases and decreases in rates of duty involved in the application of the new U.S. tariff classification law, resulting from the rewriting of the schedules. The law was proclaimed on August 21, 1963 and brought into effect by the United States on August 31, about two and a half months ago.

We have been concerned for some time past about the fact that rates of duty on a number of products such as farm tractor

tires would be effectively increased by the new classification, and we have drawn these concerns directly to the attention of our United States counterparts. As regards rubber sealing strips exclusively for automobiles, I am informed that no change is involved. The United States has undertaken to consult with Canada and other members of the general agreement on tariffs and trade, to assess precisely what tariff changes are involved in the new classification, and to seek mutually satisfactory solutions for any inherent problems. We will be pursuing these matters thoroughly in the consultations with the United States.

## SUPPLY

**Hon. Walter L. Gordon (Minister of Finance)** moved that the house go into committee of supply.

### LACK OF CONSULTATION ON MATTERS UNDER PROVINCIAL JURISDICTION

**Hon. Alvin Hamilton (Qu'Appelle):** Mr. Speaker, this is the sixth and last supply motion of this session. I think perhaps the public can well understand that it is the privilege of the government to make certain that we have these six occasions on which to present motions of no confidence in the government. The timing of these motions is usually at the discretion of the government in consultation with the opposition. After almost four or five consecutive weeks of supply motions, we have come to the last one.

This amendment that will be moved by the official opposition to the last supply motion will deal with a subject that is very much in the minds of Canadians at the present time. The events of Sunday and Monday, when people all across Canada met in their churches and before their cenotaphs to pay respects to the more than 100,000 men who left the shores of this country never to return, form a background for the realization that this country of Canada means a great deal to all of us. At the time of the commemoration of these several wars we are faced with the fact that within two weeks we will have a dominion-provincial fiscal conference. It will start on November 25. As we approach this dominion-provincial conference we find there is a lack of that sense of well-being in Canada; we find that the politics of Canada have been stirred up like a hornet's nest.

This conference meets on November 25 under the shadow of what has been described as an ultimatum by Premier Lesage. We have to do certain things or else. This conference meets in the light of the obvious disturbance amongst the provinces over the Canada pension plan, which has been rejected out of hand by the province of Quebec. This plan is under very serious study by the province of Ontario, and generally speaking the provinces feel that on this subject there has been a serious invasion into the fields that are rightfully theirs.

Then again, we have had the recent blow-up in connection with the municipal loan and development fund. The members of the government of this country had to go to Quebec to try to pacify that province, because again there was a suggestion of the invasion of the jurisdictional field of the provinces. On reading the newspapers over the week end we noticed evidence that this crisis was not lessening. We have a minister of the Quebec government, municipal affairs minister Laporte, stating that there must be a rewriting of the constitution. This conviction is shared, in another way, by the leader of the opposition in that province. I point out these things to show that there is a hornet's nest.

Then Premier Bennett of British Columbia who says he speaks for Alberta as well, points out that they will not give any concessions to Quebec. I suggest therefore that we find the premiers of the provinces expressing grave concern about the invasion of their rights by the federal government, with various observations being put forward concerning what should be done about the situation. I think it is time the people of this country, particularly the members of parliament, had an opportunity to declare whether they have any confidence in the leadership that has been given in this house.

I should like to extend these remarks briefly by pointing out that other provinces, in addition to those I have listed, are showing deep concern. The province of Manitoba, which has always been noted for co-operation with any federal government, is deeply concerned over the new Department of Industry. The premier of Newfoundland, who is not known as an enemy of the present government, is very concerned about the actions of this government in relation to fisheries. I could continue and expand this list in great detail, but I think it suffices to say that even amongst the ranks of the government there exists confusion and disagreement.

I should like to quote now from the Toronto *Star* of November 4, in which there is a report of a statement by a member of parliament, who is supposedly a loyal Liberal, which is critical of the present leadership of the Liberal party. This criticism can only be understood as opposition. The hon. member is Steven Otto, Liberal M.P. for York East. He was speaking at an

annual meeting, and this is what he said according to the report:

—said last night he will oppose his party's Canada pension plan if Quebec is allowed to remain outside the federal scheme.

Exempting Quebec from the national plan represents Quebec's "first step out" from confederation he maintained.

Quebec then could even "contract out" from defence, he stated.

The outspoken member said he was angered that government members have sat quietly while groups have proposed the equivalent of separation of a province. "Talk of separatism is almost treachery", be added.

He forecast a provincial plan in Quebec would run into trouble . . .

He charged the government with "apathy" for accepting a plan without Quebec. He said the government believes Quebec's opposition to the federal plan is "insurmountable". But he noted that despite rumblings of secession if Donald Gordon was reappointed, there was "not a peep" when the Liberal government named him to continue as Canadian National Railways president . . .

Mr. Otto said his stand has been endorsed 100 per cent by his riding association. He said he was in Toronto last Monday—

And so on. These disturbances, Mr. Speaker, and this opposition within the ranks of the Liberal party, the deep concern of the provinces over the invasion of their jurisdiction, are things that should be considered by the Prime Minister of this country. Not only are the provinces concerned about invasion of their rights, but the President of the Privy Council has stated very plainly that it is the policy of the federal government to withdraw from joint plans and joint operations upon which the two levels of government have embarked for many years. This statement by the President of the Privy Council, supported in the house by the Prime Minister, means that right before our eyes a retreat from the concept of federalism is taking place. This will be the subject of our amendment today.

I suggest, however, that the attitude the house should take should not be one of pessimism. It should not be the attitude that there is no hope. All is not lost, Mr. Speaker. There are signs that people do recognize there is a positive alternative to this rudderless ship that is now the government of Canada. I cite, for example, the words of a man who I think is known all across Canada as the spokesman and advocate of Quebec nationalism. I should like to quote the thoughts of Rene Levesque, one of the Quebec government's ministers. Just two weeks ago he said there was one way in which we could save confederation. This comment has been noted by the newspapers across the country. I intend to put forward the way to which Hon. Mr. Levesque was referring.

I should like to quote from some newspapers to show that there is an awareness coming into the editorial rooms of the newspapers across this country of the fact that there is an alternative to this retreat, to this letting federalism go and allowing this country to go back to a league of independent states. I quote from the Winnipeg *Tribune* of October 31, 1963:

While the Tories may be tempted to say, "I told you so," the Liberal government would be reckless and stupid to abandon policies consonant with the national interest simply because they had been initiated during the Diefenbaker tenure of office. It is to Mr. Pearson's credit that he has retreated from some of the stands taken during the election campaign and is now carrying on sound measures he inherited from the former administration.

This common sense attitude makes it all the more difficult to understand why Mr. Pearson and members of his cabinet seem to have rejected one of the most constructive and promising policies initiated by the Tories—what Mr. Roblin and others call co-operative federalism. This was a positive endeavour to get Ottawa and the provinces to work together in fields of divided jurisdiction—to neutralize the intolerable pressure of centralizers on one side and provincial-righters on the other.

Here you have evidence that thinkers across Canada realize that there is some alternative way. The Montreal *Gazette* for Tuesday, October 29, speaking about the Canadian pension plan, says this:

In both these cases it would obviously have been far better if the fullest exchange of ideas had taken place first. For the result of proceeding without earlier consultation has been much harshness of conflict (which is not for the benefit of federal relations), and great modification of uncertainty of legislation which does not enhance the prestige of the federal government.

It may also be that federal-provincial conferences may be held at more regular intervals. And these would be far more effective if much of the preliminary work of exchanging viewpoints had previously been carried on through a permanent federal-provincial secretariat, and through councils of ministers in particular fields.

It is important that federalism should display enough flexibility to grow in response of the needs of new times. The Canadian council of resource ministers may be the beginning of important new developments toward a more modern federalism.

The Montreal *Gazette* of November 6 last, speaking once more of the type of co-operation which had been carried into effect by the previous government, said:

This type of development could give Canadian federalism new life, new hope, new fellowships and new effectiveness. It will open up the prospect of future co-operation instead of conflict. The possibilities for developing this co-operative federalism are as numerous as the denial of such co-operation will be ominous.

I cannot speak in those beautiful words, Mr. Speaker, which I have just read, but I am going to do my best to point out that there is hope for new life for our federal system if the practices slowly and gradually evolved by the previous government are followed in regard to the relationship between the provinces and the federal government.

It was my privilege, Mr. Speaker, during the last two election campaigns to travel

through the rural areas of both western and eastern Canada. During those two campaigns, in every speech I made I emphasized this one point, that Canada could not be strong if some parts of Canada were weak and if some parts or groups of Canada were being discriminated against. I asked the people of the rural areas to support the government of that day in our efforts to lift up those parts of Canada which had fallen behind, and to lift up those groups which had fallen behind or were being discriminated against.

**An hon. Member:** Like you did in the maritimes.

**Mr. Hamilton:** No government ever did more for the maritimes than the government led by the right hon. gentleman who is now Leader of the Opposition (Mr. Diefenbaker). Just as an illustration of this in other fields than that about which I have been talking, the Saskatoon *Star-Phoenix* for October 29 refers to a matter raised today by the hon. member for Kootenay West, namely water resources. This, Mr. Speaker, is the judgment of a Liberal paper:

> What appears to be lacking in all these considerations is a co-ordinated federal-provincial-municipal drive toward a comprehensive Canadian water resources policy and program. Leadership, we think, must come from the federal authorities in water conservation and development.

This is federalism. It is not domination of the provinces; it is working together for the mutual advantage of all Canada. Yet the President of the Privy Council says that this co-operation we have achieved in the past will be wiped out. This is the policy of the government. It is no wonder there is a hornet's nest buzzing around the ears of the Prime Minister today. The question in the minds of the Canadian people is, will he be strong enough to take a stand for something? One day it is this way, the next day another way, and another day another way. As the farmers say, every day the wind blows the weed bends.

During our period of office we tried to give some leadership. It is true that that leadership had to be quiet, careful and responsible. It is true that that leadership had to be moderate and restrained. It is true that that leadership had to be with complete frankness and friendliness. That is why when you look back over those five and a half years, with one or two exceptions there was relative peace between the governments at the provincial level and the federal government, because certain things were being done.

**Mr. Pickersgill:** Term 29.

**Mr. Hamilton:** We all heard and recognize the empty laugh of the hon. member for Bonavista-Twillingate. If he ever writes another book I hope he will then tell us the whole story.

**Mr. Pearson:** Are you going to read from a book?

**Mr. Hamilton:** I am going to quote from the dominion-provincial conference proceedings of 1957, as published by the queen's printer. For a start I will quote the words of the then prime minister on the evolution of a new concept in federalism.

**Mr. Pickersgill:** Mr. Speaker, as the hon. gentleman has brought my name into it I wonder if he would permit me to ask him a question. Would he quote what Mr. Frost, the then premier of Ontario, had to say at that conference about the attitude of Mr. St. Laurent on federal-provincial relations?

**Mr. Hamilton:** The hon. member for Bonavista-Twillingate, now Secretary of State, always likes to get up and run a rabbit across the trail. When I am hunting for moose I do not shoot rabbits.

**Mr. Pickersgill:** He used to be a white rabbit.

**Mr. Hamilton:** If you recall, Mr. Speaker, in 1957 the previous administration, under Right Hon. Louis St. Laurent, had made agreements with the ten provinces respecting the fiscal relations which would exist for a five year period. The contracts were signed and these agreements were to be in existence for five years. A new government took office, a new government which had been expressing in opposition its concern over this constant tendency toward centralization of power in the federal government. This federal centralization was very noticeable in dominion-provincial relations, so it was only natural that there should be a statement of policy by the new government the minute this conference was called.

Let me emphasize again, Mr. Speaker, that there was no obligation on the new government of 1957 to call this conference. There were contracts in effect for five years which would have meant that we could have carried on without those tremendous increases in payments by the federal treasury to the provinces, which would have wiped out all the deficits we had during those five years. But in spite of the fact that there was an agreement with every province in Canada the new government called the provinces in, and in the opening paragraph of the report of the proceedings I have here appear the words of the then prime minister, Mr. Diefenbaker, the present Leader of the Opposition:

> There have been times in the past when we have criticized the extent of federal participation in various common efforts on the part of the dominion and the provinces as inadequate. We have given our undertaking that when new fiscal arrangements

are determined on, no province will receive less than it is now entitled to. But I want to make this clear at the beginning. We are not placing before you any "take it or leave it" attitudes; we are not taking any hard or fast positions. We are not placing before you any rigid formulae. This conference was convened to seek your ideas and your proposals. Clearly we cannot expect to solve all our major problems in two days, but we can hope in that time to have a general survey of many of them.

I quote that statement, Mr. Speaker, to demonstrate that from the very beginning of the Diefenbaker government there was an attitude that something had to be done about this relationship between the provinces and the federal government. Traditionally in Canada, like all federal states, there is a constant tug of war going on between the power of the provincial governments and that of the federal government. As conditions change the tendency is to swing one way and then another. Usually this tendency shows up in the federal house by the party in power tending to increase the position of the federal government and the party in opposition taking the opposite position to that taken by the party in power. This is normal and natural in the working out of democratic processes. For most of the early years of this period the federal government was represented by Conservatives. Naturally enough there was a strong movement to give power to the federal government as part of the effort to build up the country. The opposition to this growing strength came from a number of directions. The Liberal party defended the position of the provinces and became known in many areas as the provincial rights party. However, when the great emergency of the Hitler war arose the federal government gathered to itself tremendous powers, and used those powers in ways which were not always in keeping with tradition.

After the war was over this centralizing tendency continued and it was only natural that the opposition in those days should begin to express concern about this concentration of power in the hands of the federal government. It was understandable that when the Diefenbaker government took power we should have gone to the provinces, as the then Prime Minister did, and said to them "Let us have your ideas. They will be given consideration and then, after discussion, we shall arrive at a new fiscal arrangement".

Without going into detail about that arrangement, suffice it to say that the provinces were in fact granted a new deal. It cost the federal treasury a great deal of money. I might also say that in those discussions some of the provinces put forward demands which could only be described as extreme. Following the submissions and the discussions which took place some decision had to be made and, rightly or wrongly, it had to be made by the federal government at that time. However the offer of discussion was a step forward in this new concept which was evolving.

The next step had to do with my own department, the Department of Northern Affairs and National Resources. It was the wish of the federal government to link the great resources of the north with the several areas of Canada to the south. We proposed to proceed with this undertaking, and we therefore suggested to the provinces a co-operative program of roads to resources. Roads are, of course, the prerogative of the provinces. Still, there is no use building a network of roads in the territories unless they are linked with the settled areas of the provinces.

The negotiations which took place in this connection lasted 14 months or more, because not a single agreement was signed with one province until every province had agreed to every clause and every comma. The type of discussion which went on was bilateral in character; we went through the long and arduous process of getting agreement in every province for agreement in every other province. Very soon we recognized that no government could carry out its propositions in such a way. No government could spend so much time on a single type of contract. The next step was to speed up the process.

The government decided to call a conservation conference. A decision to this effect was announced in Winnipeg on February 12, 1958, by the then prime minister. It was announced again in the house on August 30, 1958. In getting the plans ready it was clear once again that these renewable resources belonged, in most cases, to the provinces and were administered by the provinces. The federal government had joint responsibility in connection with fisheries and agriculture. So we had this situation; 10 provincial governments had the ownership and management of their own resources, while the federal government was responsible for ownership and management of the resources in the Northwest Territories, the Yukon, and the continental shelf off our shores.

In planning this conference the federal government took the lead in calling the ministers of all the provinces together. It said in effect "These resources are under your jurisdiction, but they will not amount to a great deal until we plan together for their best use; and their best use depends on trade policies, on monetary policies, on fiscal policies and, yes, even on taxation policies." We put this thesis before the 10 governments.

*Lack of Consultation with Provinces*

They were governments of various political complexions. Two of them were Social Credit governments. One was a C.C.F. government. There were several Conservative governments. I have forgotten how many Liberal governments there were. But they all agreed as Canadians to work together for the better use of our resources. In this way there was co-operation in planning from beginning to end.

At the conclusion of that conference one of the recommendations was that the technique developed in the planning of those meetings should continue afterward in the management of our resources. So today we have for the first time in Canada's history a Canadian council of resource ministers. This council, representing 11 governments, is served by a secretariat which is bilingual, which does not owe loyalty to a province and which does not owe loyalty to the federal government; its loyalty is to the concept of the best possible development of our resources in Canada. This is the council which is receiving such favourable comments from newspapers across Canada. Let me read from the background paper put out by the Canadian council of resource ministers:

> The Canadian council of resource ministers represents a new co-operative approach by the eleven senior governments of Canada to the many and varied problems in the field of resource development.
>
> The council was founded on the basis of co-equal participation of the eleven senior governments and a rotating chairmanship. This operating formula has provided for the first time in Canadian history an intergovernmental forum within which resource policies are examined and co-ordinated.

It goes on to describe the organization of the council, pointing out that the present chairman is Hon. Rene Levesque from Quebec. Then it continues:

> The Canadian council of resource ministers was established following the resources for tomorrow conference which took place in Montreal in October, 1961. The conference originated in an announcement by former prime minister John Diefenbaker on February 12, 1958, that a national conference on conservation would be called.

These are not my words; these are the words of the Canadian council of resource ministers.

> The provincial premiers were invited to participate in preliminary discussions of the planning for such a conference. All provinces responded favourably, and the first meeting of the national steering committee, consisting of ministers from all provinces and the federal government was held November 17, 1958.

That is how far back precedent exists for this type of co-operation.

> The conference reached a number of important conclusions. It found that lack of co-ordination between governments and between departments within governments had created a serious gap in resource development and management.
>
> At the same time the conference recognized the existing system of Canadian federalism, in which the ownership of natural resources largely rests with the provinces, while fiscal, monetary and trade policies are the responsibility of the federal government.
>
> The senior governments subsequently agreed to the formation of a council. The council's formation was announced on February 6, 1962 following the final meeting of the resources for tomorrow steering committee.
>
> At the same time an advisory committee was established to prepare for the first full meeting of the council in Toronto September 20-21, 1962.

I put those passages on record because they tell a story of accomplishment. They tell a story of what can be done when there is leadership, and patience in that leadership. They tell a story of how men of different political persuasions can sit down and work together as Canadians to achieve an end which will be of benefit for all Canadians. There was no hornet's nest stirring around the leadership of the government in those days in connection with resource development because we followed a type of co-operative federalism which took the tension out of the usual tug of war between the provinces and the federal government.

**Mr. Pickersgill:** Page Mr. Bennett.

**Mr. Hamilton:** It has been suggested that I page Mr. Bennett. Let me tell the house that from 1944 to 1957 progress in discussions with the United States on the development of the Columbia river was almost exactly nil. There were 13 years of debating such silly subjects as only the record will show.

In 1957 and 1958 we laid the foundations for the treaty with the United States by two or three techniques. One of them was to set up a liaison committee between the federal government and the government of the province of British Columbia, with two ministers from each government on that committee. Every step that we took was agreed to by both cabinets, including the final draft of the treaty. Up until that time there was complete co-operation between the two governments.

I will not go into the reasons that caused the delay, but I will say that the present government know what the reasons are now that they are in power. All their talk in the house and throughout the country during the last two or three years that we were in power of how when they got into power they would solve the Columbia river problem just like that was nothing more than a fraud committed by a political party. Never question me about the Columbia river. If some of these people had put as much time and work on this matter as some others of us did they would know how hard we worked. When the record is placed before the committee which will consider this matter, many

members are going to get the surprise of their lives when they see the efforts made by the two governments, federal and provincial, to achieve co-operation and to make the project a success, because to go ahead with it would have been a matter of great pride to all Canadians.

I want to move on, Mr. Speaker. Sometimes the term "co-operative federalism" is not too well understood by provincial governments. Most of them refer to this approach as the ARDA approach because of the fact that the peculiar timing of events has made this phrase stick in their minds. If I may, I should like to go back in history a bit. In August, 1958 the then prime minister announced in the house a seven point national development program dealing primarily with agriculture. One of the points was a conservation policy, because the problems of agriculture could not be resolved purely within the realm of traditional agriculture alone.

It was our plan that the resources for tomorrow conference would be held in the fall of 1960. When the experts told the 11 governments that if it was held in the fall of 1960 they could not guarantee its success because their preparations were not complete I recall saying to the conference of ministers, as minister of agriculture at that time, that I would agree to the holding of the conference in 1961, a year later, to make sure it would not fail. However, I said that the needs of agriculture were such and our planning in the federal field in regard thereto had proceeded so far that we knew fairly well where we wanted to go, and as the federal minister I asked the steering committee to give me permission to go ahead and discuss with the provinces the subject of ARDA. We did not call it ARDA then; we just called it redevelopment.

They examined the situation. If you will go back and read the records of the House of Commons you will find that I gave my word that ARDA would in no way contravene the principles of the resources for tomorrow conference to be held that fall. The bill went through the house in the spring of 1961. Those provincial ministers accepted my word. We had established a condition of trust among us, and they accepted my word that ARDA would be co-ordinated with the efforts of the resource ministers council whose object was to bring together all departments of the federal and provincial governments in order to plan in the best interests of Canada. I honoured my commitments to the ministers on that council, and they honoured their word. They did not hinder me in any way in my efforts to get ARDA on the statute books before the resources for tomorrow conference was held.



*Lack of Consultation with Provinces*

As a matter of fact I saw all the agriculture ministers, first of all in conference here and then individually. Many members in the house will know that I visited those ministers. When I met the agriculture ministers I explained to them that the federal government wanted to achieve certain ends. I pointed out the necessity of moving in a certain way in connection with low income farmers across Canada. I said that before the federal government brought forward this legislation I should like to consult with each of the provinces individually and some of the provinces as a group.

It was during the ARDA discussions that the provinces first experienced this type of co-operative federalism, in that the then minister of agriculture or his officials discussed with them the planning of a new type of legislation that we wanted to bring before the house in Ottawa. I went to the extent of making speeches across the country advocating these principles. When I had secured the agreement of all the provinces for the type of thing we wanted to do I went to my colleagues in the cabinet and said "You asked me to prepare this legislation. I have consulted the provinces, and the legislation is the result of the co-operative efforts of all 11 ministers. There will be agreement all across the country".

The ARDA legislation was introduced into the house with the backing of all the provincial ministers and farm organizations. Even the opposition then did not oppose it. In fact there was so little opposition to the bill that I was forced to debate it on third reading myself in order to point out that there were some weaknesses in it. That shows you the extent to which you can get the provinces, farm organizations, business interests and political parties to work together if we put the needs of the country first and foremost. So the provinces refer to this co-operative federalism as the ARDA approach, and I am grateful for it; because it shows the complete harmony we had in introducing this legislation and carrying it out.

There is one thing more I should like to say in connection with ARDA, which I have already said but which I should like to emphasize. I guaranteed as a federal minister that nothing would be done under ARDA to contravene the principles that would be established by the resources for tomorrow conference. I kept my word. No minister throughout Canada, whether he is a minister of agriculture or a resources minister, will deny that, because they know I kept my word in so far as agriculture was concerned. Even though agriculture is one of the oldest and most strongly entrenched departments of the

federal government, we always took our problems to the co-ordinating committee and cleared them with that committee. That was our intention, and all I can say at this time is that I hope this practice is still being carried out; because if you want to destroy something fine, if you want to destroy something good for Canada, just destroy the type of co-operation that we achieved in working out the ARDA program, and the type of program we achieved in working out the Canadian council of resource ministers.

I take some pride in telling this story. I hope it will be told all across Canada. I think our actions created a new concept of co-operative federalism compared with the former situation. Where federalism used to be a tug of war we tried to establish a basis on which we could work co-operatively in those fields where there is joint jurisdiction, in those fields where the provinces wanted us to work with them or we wanted them to work with us.

But it was not only in the department I headed that this course was followed. Sitting beside me in the house today is the former minister of labour. I recall where the idea came from for the winter works incentive program. I recall the tremendous efforts he made as minister of labour to consult not only with all the provinces but right down to the municipal level before introducing this program. He always considered their wishes with regard to this matter as having priority.

Here you had in the Department of Labour under the Diefenbaker government the same type of approach by way of co-operative federalism that I have demonstrated was the case in the resource field, and particularly with regard to agriculture. Furthermore, when I went to the then minister of labour with the story of how there were great problems in education in the rural areas of Canada it was he who took the initiative in the field of education by calling the provincial ministers together with their staffs. We had a great backlog of uneducated Canadians with less than the normal opportunity to obtain an education. What kind of curriculum could you set up to give these many thousands of Canadians the opportunity they deserved? There was no resentment on the part of the ministers of education and their staffs. We simply put forward the need, and the governments of the provinces, representing every national political party, co-operated. But the leadership came from the minister at the federal level. He knew he had no rights with regard to education from the point of view of jurisdiction, but Canadians had a need so far as this particular aspect of education was concerned. Naturally I worked through the minister of labour. I tell you these things because this philosophy was pervading all departments.



I also recall the efforts made by the former minister of national health and welfare in talking to the provinces and holding long consultations with them before he did anything. So far as hospitals are concerned he went right down to the hospital organizations and medical associations. There was always consultation ahead of time. His efforts were always directed to trying to achieve the maximum support for various ideas that would help the whole of Canada. Yet surely health is the prerogative of the provincial governments.

This concept of federal-provincial co-operation extends into many fields. My young colleague the hon. member for Brome-Missisquoi, has tried so hard in the house to put forward the idea the Montreal *Gazette* put forward, after he proposed it, that there should be a secretariat to deal with dominion-provincial fiscal relationships. We all know what happened to that particular bill. It was slid out of here pretty fast on the ground that it was contrary to the rules. Now he has brought back a resolution and this young man, believing in this country, puts forward these ideas to extend the concept we evolved, and which we proved by experience will work in this very difficult and delicate situation now existing between the provinces.

How many hon. members on the government side, even though they go outside the house and grumble, will stand up in their places and grumble out loud on behalf of this young man who speaks for Canada? This is the place for a federal co-operative system, and this is the place for accepting the lessons we have learned over the last five or six years.

The other day I took the liberty of speaking on the forestry estimates, and one of the proposals I put forward to the Minister of Forestry was that he should examine into the principles of ARDA, that he should examine into the principles of the Canadian council of resource ministers, and realize the opportunities that exist in his department to put this same type of co-operation into effect. The forest industry is the most important one we have in Canada. Once again the forests are owned and managed by the provinces, but the federal government has to give leadership because it has a tremendous influence on forestry through trade, fiscal and monetary policies, and through taxation.

If we sit back and say we are going to get out of this field and let the provinces go it alone, we will go back to the type of situation they had in the United States before 1787; 13 separate, sovereign states with a little government up on top that had no power and was useless. Canada is our country. We were second in the world in pioneering

the federal concept. We think that in this new dimension we have added to federalism we have added a dimension that equals the original concept of confederation as pronounced at the 1787 convention of Philadelphia. We have given a type of example which will be extremely useful to the 20 federal nations in the world today.

When representatives of new countries like Malaysia come to Canada, do not tell them about these fights between Mr. Lesage and the Prime Minister of Canada. Do not tell them about the lack of leadership at the centre. Tell them about the positive things that will help them; and the positive things that will help them are the things that will work. We believe that you evolve new concepts, and only after you evolve them and prove that they work do you work out a theory to explain them. I suggest to these new countries that we in Canada have set a precedent. I do not want to cover the whole field but I would like to mention—

**Mr. Macdonald:** Complete a few more points of your biography.

**Mr. Hamilton:** The hon. member who has just interrupted reminds me of a type of wheat we used to grow in Saskatchewan.

**Mr. Macdonald:** It is all sold.

**Mr. Hamilton:** It was long in the straw, big in the head, but when you threshed it there wasn't much in it.

**Mr. Monteith:** That is Rosedale.

**Mr. Macdonald:** So they sent you down east then.

**Mr. Hamilton:** Before the election the premier of Newfoundland published a book on the necessity of doing something for the fisheries on the Atlantic coast. If you read that book carefully, and I recommend it to all hon. members of the house, you will see Mr. Smallwood raised a cry for help on behalf of the fishermen on the east coast. What did he say in that cry? He said the answer is in the ARDA approach, and is in the way they do it out west. The book is a eulogy of the five and a half years of the previous government led by Right Hon. John Diefenbaker.

Do you think the premier of Newfoundland is going to sit idly by and see that five, six or seven Liberals are elected from Newfoundland to the federal house if they do not follow the example of co-operative federalism which we set? You are all going to find out who runs Newfoundland if you do not get into line fairly fast and realize that if you want to hold Joey Smallwood, you had better start thinking of co-operative federalism and doing something about the fishery industry; and not on the basis of handouts. That whole book describes what I have just described, and I would particularly recommend it to the Secretary of State. I am sure he did not write that one.

Now I wish to say a word about what this government has been doing. I know that members of the government, when they sat on the opposition side, had complete confidence that if only they could get back on the treasury side all would be well. I recall one of the members of the opposition at that time saying he had all the answers; he had written a book, and all the answers were there. One of the oddest things was that about the only people who read his book were Liberal politicians—

**Mr. Pearson:** You must have read it.

**Mr. Hamilton:** —and the ones who read it began to mouth the things that appeared in it. They did not realize that what they were espousing was a philosophy that was turned back in history 400 years ago. This book took our economic theories back to the days of mercantilism, to the days of restrictions; and when members of the present government took office they naturally carried out the instructions in the book.

The 30 per cent transfer tax was the first item and all these poor dupes, this cannon fodder, got up and said they had confidence in the government. Then the Liberal press jumped on the poor Minister of Finance and said he was to blame. That is wrong. It was all in the book.

**Mr. Macdonald:** Now tell us about the renegade.

**Mr. Hamilton:** It was all in the book and these people accepted it. They got elected on it, and when the Minister of Finance began to carry this out they got their back door boys working and said "Get rid of Gordon." Why were they trying to crucify one of their number when they knew the real culprit sat in the Prime Minister's office?

The Prime Minister went down to Hyannis Port and surely, Mr. Speaker, if you are going to do anything as serious as this you will consult with the other party. What did happen at Hyannis Port? There was the 30 per cent transfer tax, to be followed by a 15 per cent transfer tax on their side. I can just see it happen. Canada gets the blame for the 30 per cent transfer tax and Canada suffers for the United States 15 per cent tax at the same time.

The confidence of the Liberals was all right 15 years ago when they had a man who could lead them, and that man was Howe. Sure, he did not care about parliament; he did not

care about the democratic procedures, but he did have the brains to put forward proposals.

**An hon. Member:** Hear, hear.

**Mr. Hamilton:** I hear them say "Hear, hear" over there. I agree. Rubber stamps are still with us. The government stands condemned for having the same arrogance, but no leadership. This is my charge. Look at the record. The municipal loan and development fund means interference with provincial rights, and the provinces tore into that. Then the government went crawling to Quebec city and came back with their tails between their legs, with complete surrender on their part. The Liberals, Mr. Speaker, call this leadership. "Peace at any price Pearson"; this is how the Liberal leader is known across Canada.

They retreated on this municipal loan and development fund. What do I say? I say it was wrong for them to interfere in the provincial field, and it was equally wrong for them to retreat. There is supposed to be co-operation. There is a need for the federal government in this type of assistance to municipalities, but it should not be accomplished by arrogance or by interfering with the provinces. Surely there should have been some consultation ahead of time. Surely men of good faith from the ten provinces and the federal government could have evolved a scheme that would have been acceptable. Now we have four provinces going one way and six going another. As we say in an area far from here, this government does not know whether it has been punched, bored, countersunk, or reamed out with a steam shovel.

Well, it is all in the book. They enunciated a Canada pension plan. Surely this was an invasion of provincial rights. Surely the Liberals must have been aware of the fact that when the Conservative government was in power it was proceeding slowly and carefully toward some sort of pension plan in co-operation with the provinces, respecting their constitutional rights, respecting the rights of individual groups who had plans of their own. We were working steadily toward this objective. The Liberals were not prepared to use the co-operative approach; they were not prepared to use the evolutionary approach. They had to move in a la Howe, but without his brains. So the Canada pension plan has been smacked by Quebec, demurred at by Ontario and the other provinces, and has been put under the rug in the hope that something will come from it. The only way something will come from it is to go back to the principle we established of consultation with the provinces and with other groups. This is the approach of co-operative federalism.



Once again I have noticed this Liberal technique. The minister who was responsible for this gaff is being crucified. I refer to the Minister of National Health and Welfare (Miss LaMarsh).

**An hon. Member:** By you.

**Mr. Hamilton:** The ex-party whip says by me. All he has to do is read the Liberal newspapers and he will ascertain what they suggest should be done with Judy. Once again we see this Liberal technique of destroying one person when the real blame falls upon the Prime Minister. Just let the Prime Minister go back to that day in the middle of September when his minister of health was saying there was no intention of bringing up a certain subject at the meeting with the premiers. Then the Prime Minister stated they were going to make the decision that there was to be an increase of $10 in the old age pension. You can imagine how the minister felt. This is another illustration of how they jumped in with the Canada pension plan and then had to retreat.

There is one other problem I should like to mention, and that relates to the Department of Industry. This Department of Industry was established because we needed some extra incentives. Some of the work of the Department of Industry was being done by the Department of Trade and Commerce, but more emphasis was necessary. Once again there was no consultation with the provinces. In fact when the letter comes forward from the premier of Manitoba and appears in public you are going to find this Department of Industry condemned in very clear terms, not only as a direct infringement of the rights of Manitoba but of other provinces—

**Mr. Byrne:** I rise on a point of order, Mr. Speaker. I think the hon. member is sufficiently well acquainted with the rules to realize that he cannot reflect upon past proceedings of the house, nor can he refer to another debate in the same session. These prohibitions are contained in standing order 35 and set out in citation 149 of Beauchesne's fourth edition. The citation reads:

> Besides the prohibitions contained in standing order 35; it has been sanctioned by usage both in England and in Canada that a member while speaking must not:

Then there are the rules to which I referred. Since the outset of his remarks the hon. member has been breaching these rules, and I thought it would be only fair to bring this fact to the attention of the house.

**Mr. Hamilton:** I have listened with some amusement to the objection made by the hon. member for Kootenay East. I do not blame him for not liking this catalogue of the government's failures—

**Mr. Byrne:** I did not object; I have raised a point of order.

**Mr. Monteith:** Sit down and make your speech later.

**Mr. Byrne:** I ask for a ruling on this matter, Mr. Speaker.

**Mr. Speaker:** A ruling will not be long in coming. In a supply debate it is well understood that great leeway is given, and it is partly a matter of good taste on the part of the hon. member speaking. It seems to me that the hon. member is entitled to refer to some of these things in order to make his points.

**Mr. Pearson:** I wonder if I could ask the hon. gentleman a question. He has just referred to a letter which presumably has not been made public from the premier of Manitoba dealing with the establishment of a Department of Industry. May I ask him if he is going to put that letter on the record and, if not, whether he has seen the letter?

**Mr. Diefenbaker:** Wasn't that a profound question?

**Mr. Hamilton:** I think it is obvious, Mr. Speaker, that I have seen the letter or I would not be paraphrasing it. There is a motion of mine, which has been accepted by the government, for the production of that letter. The motion was made, I think, two weeks ago, and the letter has not been presented as yet. I know the premier of Manitoba is quite willing to have the letter produced, and I thought under the circumstances it would be quite all right if I referred briefly to its contents.

**Mr. Pickersgill:** I wonder if I could ask the hon. gentleman a question. Is the hon. gentleman telling us that the premier of Manitoba showed him a letter, as a member of the opposition, which was addressed to the government of Canada and has not yet been made public? Does he approve of that kind of conduct in federal-provincial relations?

**Mr. Knowles:** Page the Minister of Transport and the hon. member for Winnipeg South.

**Mr. Hamilton:** Mr. Speaker, of all people to raise that objection, the hon. member for Bonavista-Twillingate—

**Mr. Pickersgill:** It was not an objection, it was a question.

**Mr. Hamilton:** —should be the last to raise it. When he was in the opposition he read things to us, as the government, before we even got them.

**Mr. Pickersgill:** I must rise on a question of privilege, Mr. Speaker. I challenge the hon. gentleman, who has a very faulty memory, to produce one tittle of evidence that I ever quoted in this house any document from the premier of Newfoundland that had not been made public. I challenge him to find a single bit of evidence, and not just give his obviously blurred recollections.

**Mr. Hamilton:** I was hoping to finish my remarks by one o'clock, but I do want to emphasize this one point. I do not believe I mentioned Newfoundland. It was the hon. member himself who mentioned Newfoundland. I do not know whether there is any guilt there, but I should think the challenge would be an interesting one to look up. However, I am not going to do so now.

I know the members of the government have been listening very intently to my speech because this withdrawal from the municipal loan and development fund, this retreat on the Canada pension plan, and the Department of Industry, all these fluffs that have been made by the present Prime Minister indicate a lack of leadership. In so far as the Department of Industry is concerned, you will find it will not be only the province of Manitoba that will be objecting, but other provinces are going to suggest that you use the approach we used. Do not belittle this approach because we brought it into being, but use it and accept it. Earlier I mentioned the withdrawal from joint programs referred to by the President of the Privy Council. I wonder if there was a discussion with the provinces before that announcement was made. I wonder if their feelings were considered, or was it just a unilateral statement by a member of the cabinet, backed up by the Prime Minister, and now these long established programs are going to go?

I do not know what the people of Canada believe about these things like hospitalization, the various grants to those between 65 and 70 years of age, to the handicapped, and so on. I could mention also the roads to resources program. We have been making money available for the development of vocational schools to help with unemployment. Surely, Mr. Speaker, the federal government has a place in this structure. Surely we do not have to go back into a little hole when these provinces make these extreme demands. We expect some strength of will on the part of the government, and that means the Prime Minister. We want to work co-operatively with all three levels of government.

We heard a speech the other day by the hon. member for Three Rivers (Mr. Balcer). This was a great cry coming from 85 per cent of the people of Quebec. We are not sent here, as he said, to bisect the country. I charge the government with pursuing policies which will

not only bisect the country but dissect it. This government stands condemned by its actions, its retreats, its statements. The government is not even trying to make an effort to get out of this impasse. This country is worth too much to let it go by default. We can sit down with any group in this country and discuss their problems, and I will gamble my whole life on the faith that Canadians will always find a solution.

I think that solution has to be co-operative and evolutionary, and must provide several criteria which have to be accepted by all Canadians. One is that there is a place for the federal government. We must maintain a strong federal government. At the same time we must do what we can to strengthen the provincial governments within their spheres of jurisdiction. There are going to be many cases of overlapping jurisdiction. There are going to be many cases where the provinces will want the federal government to work with them, because we do have so much effect on their policies through our trade policies, our monetary and fiscal policies, and so on. I suggest there is an answer. But to get up and say they are going to get out of all these provincial co-operative schemes and withdraw from the joint programs is a negation of the federalism I know and intend to struggle for.

**An hon. Member:** We never said that.

**Mr. Hamilton:** How much plainer could it be put than that they are going to withdraw?

**Mr. Knowles:** Would the hon. member permit a question?

**Mr. Hamilton:** Very well; I will carry on later.

**Mr. Knowles:** I realize the hon. member can carry on afterwards, as is his right, but in view of the importance of this subject would he do the house the favour of letting it know before one o'clock what amendment he proposes to move?

**Mr. Pickersgill:** Let him read it so we may know what it is; he need not put it.

**Mr. Hamilton:** I thought I could finish in the next minute or two, but I realize it is impossible. I was going to wind up with a catalogue of sins of the government and then move this motion:

That all the words after "that" be struck out and the following substituted therefor:

"that this house condemns the government for its failure to carry out the spirit of co-operative federalism and for its neglect to consult with the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction.

May I call it one o'clock, Mr. Speaker?

At one o'clock the house took recess.

[Mr. Hamilton.]

## AFTER RECESS

The house resumed at 2.30 p.m.

**Mr. Hamilton:** When the house took recess I was on the point of moving an amendment to the motion that you leave the chair, Mr. Speaker. I read the amendment into the record so that all parties would have an idea what it was. I should like to sum up what I was saying this morning by listing the indictment I tried to make.

We condemn the leadership of the present government on the grounds of its behaviour and action in connection with the municipal loan and development fund. We condemn it for its failure to act with regard to the Canada pension plan. We condemn it for its attitude in connection with the Department of Industry, not only because of its decision to designate areas without consulting the municipalities concerned but also because of the serious overlapping which occurs with the powers and activities of municipalities.

We condemn the present government and its leadership for the method used in announcing its withdrawal from the joint programs. We know this intention was originally announced in the course of a speech at a nominating convention in Quebec city two elections ago when the President of the Privy Council was nominated. That speech was made by the present Prime Minister, who was then leader of the opposition. We have since heard the President of the Privy Council repeat this speech at a meeting in Toronto and go into great detail with regard to the proposal. This has caused serious disturbance in the minds of members of provincial governments across this country. Possibly it is because the President of the Privy Council has a reputation in Quebec as a centralist that he was forced to make the statement he did in order, if possible, to prove he was not a centralist. However, by making this speech he has encouraged even more extreme statements to be made by people who would ordinarily have awaited developments before reaching conclusions.

The way this statement was made is another example of confusion and bumbling by the present government in making announcements which seriously affect agreements between the federal government and the provinces. Tremendous confusion has been caused by this approach. I could mention many examples, but I should like to remind the house of what was said in connection with university scholarships. Just after the present Minister of Northern Affairs and National Resources took office he went out to the west coast and announced that a far reaching scheme would be set up immediately. This aroused great expectations. As

far as we can gather the provinces were never consulted about this scheme. Well, an announcement was made and nothing happened. I am simply saying it looks as though there is another retreat in this area, too. The minister says something is going to be done, but there is no action. Therefore we must assume the government has retreated. Once again they have gone into a provincial sphere and talked about what they were going to do. There is no evidence that any province was consulted, and now we find no evidence of action.

I notice that the Minister of Agriculture is not here, but I wonder if he has ever called together the eastern advisory committee of the Canadian wheat board. There is a serious problem facing the eastern part of Canada, the maritime provinces, in connection with grain. We have here a board representative of the provinces concerned which when occasion demands, meets with the government agency, the Canadian wheat board, to help resolve difficulties of this kind. There is no evidence that the present government is making any use of the consultation machinery which was provided by the previous government as a means of supplying answers to these problems.

But the most damning indictment of all, especially in the mind of the public, is based on the course of events with regard to the Canada pension plan. Here we had a plain statement of the government's intention, the central plank of the election campaign. Yet because of a waspish and witch-like attack on the premier of a province, the whole matter has become embroiled in side issues. The government has had to retreat and, once again, the general wishes of the provinces are not consulted.

However, there are some signs that certain members of the government are aware of the need for co-operation. For example, the Minister of Forestry, in the statement he made on his estimates, did indicate his awareness that he could get good ideas from the provinces and that more rapid progress could be achieved in this field by working in co-operation with the provinces.

On the other hand the Minister of Fisheries does not seem so convinced. I have been watching for some sign of leadership from the central government so the great knowledge and experience which has been built up federally can be used to do something of benefit for the fishing industry in co-operation with the premiers of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and Quebec as part of a joint program. A great need exists, yet there is little evidence of such leadership coming forward. The only leadership of which I have any evidence seems to be coming from the provinces themselves. So for every sign that something is being done there are ten signs to the contrary.

**Mr. Robichaud:** Would the hon. member permit a question? He has referred to a joint national program for fisheries. Is he aware that a federal-provincial conference on fisheries has been called for the week beginning January 20?

**Mr. Hamilton:** That is the point I am trying to make. The government has called this conference. There is to be a consultation of ministers, but there has been no preliminary work, no preliminary consultation.

**An hon. Member:** Ridiculous.

**Mr. Hamilton:** That is what they say now, is ridiculous. That shows the difference of attitude. When I see evidence that the proposal put forward by the premier of Newfoundland is acted on, not as a bilateral deal between the federal government and the provinces but as a joint agreement between the federal government and the five eastern premiers, I will know that some effort of a co-operative kind is being made; something which meets the situation, not this pick-peck type of approach.

**Mr. Pickersgill:** Four months behind.

**Mr. Hamilton:** I see that the Secretary of State is agitated. I want to make it very clear that the accusations I make against the government do not include the Secretary of State. Even if others have failed to consult and discuss and do the preliminary work necessary to avoid these confrontations that have shaken and rocked us, the Secretary of State is a different type. Everyone knows he has been around and knows about his consulting with the C.B.C. and B.B.G. all the time. He is a great man for consultation, and he does not come under the indictment.

**Mr. Pickersgill:** Is the C.B.C. a province?

**Mr. Grafftey:** It is the minister's province.

**Mr. Hamilton:** I am sure the Secretary of State caught the full implication of what I said. Finally, Mr. Speaker, in exemplification of my remarks I want to say that in view of the encouragement that has been given by the President of the Privy Council to ministers of the province of Quebec, like Hon. Mr. Laporte, to come forward and make statements such as were made over the week end; and in view of the counter-statement made by Premier Bennett, which was quite extreme and obdurate, I say that the conference called for November 25 and 26 is doomed to disaster.

**Mr. Pearson:** Gloom and doom.

*Lack of Consultation with Provinces*

**Mr. Hamilton:** This conference—

**Mr. Pearson:** That is what you would like.

**Mr. Hamilton:** —is going to be a confrontation of premiers stirred up like hornets because the federal government has interfered with their jurisdiction and when challenged has backed away and has not fought for the federal position. This is a situation that can only be described as one of great weakness on the part of the leader of the government. Never has confederation been in greater danger, though not in any danger because of the fundamental feelings of the people. They are sound enough. The people want to stay together as Canadians. Nevertheless confederation is endangered because of the fumbling and bumbling of the present government.

The members of the government are not aware of the techniques of co-operative federalism which have been built up carefully and gradually evolved. They are using the technique of interference, but once they are caught interfering they run the other way without any regard to the maintenance of the rights of the federal state.

We have been trying to find out about their approach to the forthcoming conference. We have been trying to find out exactly what has been done. It is evident, however, that every proposal they are going to put forward has been hastily conceived. There is no evidence of consultation or of prior general agreement on principles at all. As I said, all we have is even more confusion and more bumbling. There is lack of leadership. We can at least say that during our five and a half years in office we had strong leadership. All that the Liberal members can say after the first seven months is that they have had weak and waffling leadership.

**An hon. Member:** Too strong for his own cabinet.

**Mr. Hamilton:** I read today from an editorial in the Montreal *Gazette* dated November 6. I want to put forward with all the persuasion I can that there is some hope, that there is no need for the government to run off into a corner and give away its position all the time. There is a place for the federal government and for the provinces, and the federal government should not run away from their position all the time and lead us toward some form of confederacy which as a political form disappeared many years ago.

Let me read the last paragraph of the editorial again. The editorial is headed "The hope in 'Co-Operative Federalism' ". Here is the editor of a great newspaper saying that there is some daylight in the gloom. The last paragraph reads as follows:

> This type of development could give Canadian federalism new life, new hope, new fellowship, and new effectiveness. It will open up the prospect of a future of co-operation instead of conflict. The possibilities for developing this co-operative federalism are as numerous as the denial of such co-operation will be ominous.

**An hon. Member:** Hallelujah.

**Mr. Hamilton:** The hon. member says "hallelujah". I say "amen". At this time I move, seconded by the hon. member for Three Rivers:

> That all the words after "that" be struck out and the following substituted therefor:
>
> "That this house condemns the government for its failure to carry out the spirit of co-operative federalism and for its neglect to consult with the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction".

**Mr. Pickersgill:** Before the hon. gentleman takes his seat I wonder whether he would permit me to ask him one question. Was the hon. gentleman, when he talked about me conferring with the C.B.C., accusing me of conferring with the C.B.C. about his notable appearance on C.B.C. television in regard to Peter Newman's book?

**Mr. Hamilton:** Mr. Speaker, the seriousness of that question is typical of the hon. member. All I should like to say is that the fact he has asked the question indicates a guilt that I think we can all see.

**Mr. Pickersgill:** It was not the "gilt", it was the gingerbread.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, the hon. member for Qu'Appelle, on behalf of the official opposition, has moved a no confidence motion condemning the government for its failure to carry out the spirit of co-operative federalism and for neglecting to consult with the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction.

I was extremely interested in the speech made by the hon. member for Qu'Appelle, and I want to congratulate him on some of the points he raised. However, it was not clear to me at some points in his speech whether he was moving a motion of no confidence in the present government or asking for a vote of confidence in the previous administration. As a matter of fact there were long sections of the speech in which I thought there was being added to the Diefenbaker years an autobiography on the Hamilton years.

**Mr. Knowles:** "Renegade out of power".

**Mr. Douglas:** However, the hon. member has raised what is a crucial question for parliament and for the people of Canada, and I think he has performed a great service in raising this matter. Sir John A. Macdonald once said Canada was a difficult country to govern. Again and again throughout our history there have been times when it appeared that Canadian confederation was going to disintegrate, but always the good sense of the Canadian people has rallied and we have managed to resolve our difficulties and go on as a united people.

I am convinced that in this present critical situation the good sense of the Canadian people will once again assert itself. I believe we will meet the difficulties which now confront us, but it will only be done if we are prepared to look carefully at our problems, be as non-partisan as possible in seeking solutions, and endeavour to get a spirit of unity in working out the problems of confederation.

One of the difficulties is that we are confusing two questions. We are confusing the matter of biculturalism and the matter of federal-provincial fiscal relations. I think we have to separate them in our thinking. We must first of all accept the spirit of co-operative federalism, and by that we in this party mean that the two founding races, the French speaking and English speaking races, came together in a pact which we call the British North America Act. That constitution guaranteed to the French speaking people of Canada certain basic rights; and there is a feeling in the province of Quebec today, which I personally think is justified in some respects, that English speaking Canada has not always lived up to the spirit of confederation. Whether we agree with that statement or not, the fact remains that even if people feel they have a grievance then there is a problem, and I think all Canadians have to stop and accept the fact that in French Canada today there is a sense of grievance. There is a feeling that they have not been allowed to play their full part within the spirit of Canadian confederation, and this is something which has to be faced up to honestly, patiently, and with understanding.

The present government recognized this when it set up the royal commission on bilingualism and biculturalism. I am sure all of us hope that as a result of the representations which are made to that body we will get a report that will chart a course for the future, that will bring the two races together in a spirit of harmony within the Canadian confederation.

Of course this situation is not helped by the extremists on the one hand who talk about taking Quebec out of confederation, who use the most violent terms associated with separatism; nor is it helped on the other hand by statements such as those contained in yesterday's *Globe and Mail*, reporting a speech made by the premier of British Columbia, which says:

> B.C. will not even listen let alone agree to any basic changes in the British North America Act at the interprovincial conference in Ottawa this month, Premier W. A. C. Bennett said Saturday night—
>
> Mr. Bennett indicated that Quebec cannot expect British Columbia to support its demands for a special place for the French language and culture in Canada.
>
> "Federal civil servants should be appointed on merit and merit alone," he said. "We will not stand for civil servants getting more money for talking two languages, or three languages for that matter."

If anything is needed in Canada today it is for people, particularly leaders in positions of responsibility, to approach this problem with an open mind and an understanding heart.

But, Mr. Speaker, there are much deeper problems which should not be confused with the question of biculturalism, and they are problems that have beset confederation ever since 1867. A federal system is always difficult to administer, and the Canadian federal system has been no exception. The Rowell-Sirois commission was set up in the late 1930's because parliament and the government of that day recognized there were three problems facing the federal and provincial governments. The first was that since confederation the responsibilities which had been allocated to the provinces under the British North America Act have grown and expanded, without any increase in the sources of revenue with which the provinces might discharge these increased responsibilities.

In 1867 giving to the provinces responsibility for education, welfare, health and resource development did not involve large sums of money. In those days there were no such things as unemployment insurance, old age pensions or widows' pensions, and no one thought of health services as much more than elementary sanitary services. Consequently the provinces were not allocated fields of revenue that could meet expanded services in education, health, welfare and resource development.

With the passing of the years, with the growing pressure of public opinion for better education, better health services, expanded pensions and more adequate resource development, the provinces found they were not in a financial position to discharge the responsibilities allocated to them by the constitution. The people of Canada saw new programs surging ahead in other nations. They saw universal pensions, unemployment insurance and health services being introduced in Great Britain and the Scandinavian countries, and

they demanded that something of this sort be done in Canada. The provinces since then have been finding it increasingly difficult to do these things on the very limited tax revenues which have been allocated to them.

The second problem which has been bedevilling confederation is that the federal government, viewing the whole national picture, has been increasingly aware of the fact that there has been a lack of uniformity in the minimum standards of education, health and welfare enjoyed by people in different parts of Canada. Now, it is not the concern of one province to worry about the standards of another province, but it is a responsibility of the federal government to recognize that a Canadian citizen has a right to the same minimum standards of education, health and welfare whether he lives in Prince Edward Island, in the province of Manitoba or the province of British Columbia. Therefore the whole question of equalization has been to the fore.

The third problem that has faced confederation is the lack of capital resources to develop the natural resources of the respective provinces. Some of the provinces have the capital, or nearly enough capital, to develop their resources, but many of the provinces in Canada cannot and will not be able to develop their resources unless there is some equalization of capital allocation.

What have we done about these three problems? The Rowell-Sirois commission made certain recommendations. Hon. members will remember that those recommendations were scuttled by the premiers of two provinces. During the war there were temporary tax rental agreements. After the war Right Hon. Mackenzie King called a federal-provincial conference on reconstruction with a view to returning to the problem that the Rowell-Sirois commission had examined and had sought to solve. Out of that conference we began to move toward a solution of the three problems which the Rowell-Sirois commission had put forth in such clear and succinct terms. We tried to meet the problem of the provinces having inadequate tax revenues with which to discharge their constitutional responsibilities by entering into tax rental agreements. Surely nobody in Canada ever wants to go back to the tax jungle that existed prior to the tax rental agreements coming into effect. This is one thing to which the parliaments of Canada and the provinces should adhere.

The other thing that has developed has been equalization grants to reduce the disparity in income as between various provinces in Canada. When I hear some individuals making speeches about the fact that the province of Quebec could manage its own financial affairs if only the federal government would stay out of certain tax fields and leave these matters to them, I think those persons ought to remember that the province of Quebec receives a larger share of the equalization grants than any other province in Canada. If I remember correctly it is some $69 million a year. They are entitled to it; I am glad they get it, but it should be remembered that Quebec is one of the provinces whose average per capita income falls below the national average, and the province of Quebec has as much of an incentive as any other province in Canada to continue tax rental agreements and tax equalization.

The other way in which this problem of provincial revenue has been overcome has been by means of shared programs. I submit that these shared programs have been of great value, and I think many of them ought to be retained. Also we have had conditional grants under which the federal government has made certain moneys available to the provinces providing they spend them for certain purposes and in certain ways. I will have something to say about the question of conditional grants later on. We have sought to establish some equalization across Canada by means of giving the provinces a share of the taxes which can be used for education. I believe that one of the best ways we could help the provinces which are going to be under increasing pressure for better educational services is not for the federal government to get into the field of education, which will only arouse antagonism in certain parts of Canada, but rather to give to the provinces a larger portion of the shared tax fields in order that they can use this money to lift some of the school tax burden off their municipalities.

We have helped establish better social services by means of pensions, family allowances and shared programs. Hospital insurance has been another means of equalizing the burden of providing social services in Canada, and some assistance has been given to the provinces for resource development. So we have begun in Canada to find some solution to the problems that beset federal-provincial relations.

But while we want to do everything we can to enable the provinces to have sufficient financial resources of their own in order that they may discharge their responsibilities, and while we want to have a minimum of interference in provincial jurisdiction, I suggest to those who talk about provincial rights that they must give equal consideration to leaving the federal government the

power to discharge its responsibilities. If the federal government is weakened in its fiscal capacity to meet the problems of economic stagnation and unemployment, then we will be in a bad position in Canada. No provincial premier will say that he is responsible for unemployment in his province and is prepared to take the burden off the federal government. Every provincial premier, and rightly so, says unemployment is primarily a federal matter. But if the federal government is to assume responsibility for promoting economic growth and providing full employment, it must have the fiscal means at its disposal to put money into circulation in times of deflation and to contract the amount of money in circulation in times of inflation. It must be able to—

**Mr. Grafftey:** It is monetary.

**Mr. Douglas:** My hon. friend says it is monetary. It is more than monetary. Monetary policy has to do with issuing the money, but fiscal policy has to do with distributing it; that is, so it can raise taxes and take money out of circulation, and ease taxes to put more money into circulation when necessary by providing housing, and so on; so it can have a shelf of public works, federal and provincial, by which money can quickly be put into circulation to create employment.

In my opinion no prime minister in Canada has a mandate from the Canadian people to preside over the dissolution of confederation. My plea to the Prime Minister is that, while approaching this problem of federal-provincial relations and doing everything possible to help the provinces meet some of the problems which I have just outlined, he should not weaken Canada in its capacity to deal with the great major problems of economic growth and full employment in this country. I cannot do better than quote the words which Right Hon. Mackenzie King used when he was opening the federal-provincial conference on reconstruction in 1945. They are worth remembering. He said:

> The lessons of war have taught us the vital importance of co-operation in an effort to reach a common goal. Without unity there is frustration. Now that we are coming face to face with the problems of the post-war years, the need for unity and co-operation is not less than it has been: from some points of view, it is greater. The enemies we shall have to overcome will be on our own Canadian soil. They will make their presence known in the guise of sickness, unemployment and want. It is to plan for a unified campaign in Canada against these enemies of progress and human well-being that we have come together at this time.

I suggest that these enemies of sickness, unemployment and want are still present in our society, and that the federal government must retain the fiscal powers necessary to cope with them. I suggest that we need power to deal effectively with the economic fluctuations. We need the power to forestall economic stagnation and unemployment. The federal government needs the necessary power to provide the equalization of services as between the various areas of Canada. When some provinces say "We can go it alone", it seems to me that this is a very narrow and parochial outlook.

It is true that a provincial government has to think primarily in terms of its own citizens, but we in this parliament and the government have to think in terms of all the people of Canada. Nothing would do more to wreck confederation than to balkanize Canada, to give up fiscal powers that would result in one part of Canada enjoying prosperity while the other parts of Canada lived on a level of income that bordered on degradation. Part of the responsibility of the federal government and the federal parliament is to see to it that there is a distribution of income among the various areas of Canada so that a Canadian citizen, whether he comes from the middle of Canada, the Pacific coast or the Atlantic coast, is guaranteed a certain minimum standard of living, and has the right to a job and to a decent measure of economic security.

The federal government must, in my opinion, retain sufficient revenue so it can provide capital investment for resource development, particularly in the underdeveloped areas of Canada. We hear a great deal these days about helping the underdeveloped areas of the world. There is no party, Mr. Speaker, more interested in that or more anxious for Canada to do its part in that regard than this party. But charity begins at home. We all recognize that in Canada there are provinces with vast resources which cannot be developed unless they get some assistance in terms of capital investment.

I agree that the federal government should proceed with preparations for the Canada pension plan. There has been some criticism that the provinces have not been consulted. I agree that they should be consulted. But I maintain also that the present government made a commitment to the Canadian people to provide a contributory, universal portable pension plan, and that the Canadian people took that commitment at face value. This government has a responsibility to put that plan on the statute books, after consultation with the provinces; and no province should be allowed to stop the Canadian government from doing what it promised the Canadian people it would do.

There has been some criticism of the fact that the government did not consult the

provinces about the municipal loan and development fund. I think that was regrettable. However, after they did consult the provinces the provinces recommended certain changes which were accepted and put into effect. This plan is in operation. I think instead of criticizing the government for the municipal loan and development fund legislation, we might do well to remember that the provincial governments and the mayors and municipalities of this country, have been pleading with successive governments for 18 years to put that kind of legislation on the statute books. It was long overdue.

I would say the same thing is true with reference to the Canada development fund. The Canada development corporation is something which is badly needed to stimulate economic growth in the underdeveloped parts of Canada, particularly to supply the kind of capital that the provinces cannot possibly supply to promote economic growth in their areas and to provide jobs for their people. Again, I think where the provinces are involved there should be consultation, but that consultation does not give the federal government any excuse for failure to proceed as expeditiously as possible to put that plan into effect.

**Mr. Grafftey:** Would the hon. member permit one question?

**Mr. Douglas:** Yes.

**Mr. Grafftey:** Having said what he has said, does the hon. member feel then that the Liberal government should have consulted the provinces before they made the promise on the universal pension plan, instead of before they introduced the legislation?

**Mr. Douglas:** No, I do not feel they should have consulted the provinces before they made the promise. I think the responsibility of any federal party going before the Canadian people is to map out what is constitutionally possible, to decide what their program is, and then consult the people of Canada. Then the responsibility is not to get cold feet when they meet opposition, but to carry out the commitments they have made to the people of Canada.

The hon. member for Qu'Appelle has moved this motion of no confidence in the government because of its failure to carry out the spirit of co-operative federalism and for neglecting to consult with the provinces. I want to say, in the first place, that I doubt very much if the Conservative party can pat itself on the back to any extent for either its development of the spirit of co-operative federalism or for its consultation with the provinces. If we are in a mess today, then both the previous Conservative and Liberal governments contributed to it. When I was listening to the exchange of religious pleasantries by the Secretary of State who said "Alleluia"—

**Mr. Pickersgill:** I deny that, sir.

**Mr. Douglas:** I exonerate the Secretary of State. One of the Liberal members said "Alleluia" and the hon. member for Qu'Appelle said "Amen". I was going to suggest that they both ought to come to the penitents bench when we are looking at the mess in which Canada is at the moment. I suggest, Mr. Speaker, that the time has come to stop blaming each other. I do not believe the people of Canada care very much whether it was the Conservatives or the Liberals who made things worse than they were. As a matter of fact I am not as pessimistic as some speakers. I am not as pessimistic as the hon. member for Qu'Appelle, who says that the federal-provincial conference later this month is likely to be a dismal failure. I think we have made some progress.

I attended the conference in 1945 called by Mr. Mackenzie King, the federal-provincial conference on reconstruction. We have come a long way in the 18 years that have intervened, and both Liberal and Conservative governments have contributed in some measure to the progress we have made. We have not made nearly enough progress. We are in a critical situation now, but it will not help to solve the problems if we spend time trying to allocate blame. What we have to do is recognize that this country faces a crisis in federal-provincial relations.

We have faced such crises before, and our forefathers met them successfully. I believe we can meet these crises which are now upon us, both that concerning biculturalism and that which has to do with fiscal relations as between the government of Canada and the respective provinces. But if we are to do that we will have to approach this problem not as citizens of a single province but as citizens of Canada. We will have to start with the assumption that Canada must continue as a great nation; that the government of that nation must have the necessary powers to act like the government of a great nation; that the provinces have problems, and that they must be helped to solve those problems. But it will not help the provinces to solve their problems if we denude the federal government of the fiscal authority it needs to lead this country along the road toward prosperity and economic well-being.

I am going to propose an amendment, Mr. Speaker, because I think it is hardly fitting to criticize the government, or to go further and condemn the government, for its failure to carry out the spirit of co-operative

federalism when this government has been less than seven months in office.

**Mr. Grafftey:** Look at the mess.

**Mr. Douglas:** My hon. friend says look at the mess. I can assure him the mess was not all made during the last seven months. I think what we have to do instead is to urge the government to be more aggressive than it now is in tackling this problem; that we must say to the government "We expect you to implement more fully the spirit of co-operative federalism. We expect you to co-operate with the provinces. Above all, we expect you to give this country the kind of leadership it needs in the present world situation". Therefore I move, seconded by the hon. member for Port Arthur:

That the amendment be amended, (a) by deleting the words "condemns the government for its failure to carry out" and by substituting therefor the words "urges the government to carry out more fully"; (b) by deleting the words "for its neglect"; and (c) by deleting the words "wholly or partly" and by substituting the words "to any extent", so that the amendment as amended would then read:

"That this house urges the government to carry out more fully the spirit of co-operative federalism and to consult with the provinces before announcing or undertaking programs which fall to any extent within provincial jurisdiction".

In moving the amendment we are not saying we are satisfied with the way in which the government has conducted federal-provincial relations. The government has only been in office a short time, but we would urge them to be more vigorous and aggressive; and if they are we can assure them they will have the support of the great majority of Canada's citizens.

In conclusion, Mr. Speaker, I want to say that while the extremists on both sides are most vociferous, I believe the great majority of the Canadian people want to retain Canada as a nation; they want a government at Ottawa with the power which will enable the country to act like a nation and conduct itself like a nation. If we are to find the answer to the problems of federal-provincial relations we shall do so only if we come to them in a spirit of unity and also in a spirit of sympathy and understanding. Unless we are prepared to see that many of the grievances which have arisen need rectification, unless we are prepared to see each other's point of view, this crisis will grow worse. But if we are prepared to approach each problem in a spirit of sympathy and mutual understanding, then I am convinced that this parliament and this government, if it aggressively tackles the problem, can do much to establish in Canada a spirit of unity.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, first of all I should like to express my gratitude to the hon. member for Qu'Appelle for bringing up this topic which he has introduced this afternoon. I am convinced that it is one of the most urgent and vital problems with which we should be concerning ourselves in this house, because as the previous speaker has just mentioned certainly our nation stands at a critical time in its history.

There is a saying "Marry in haste, repent at leisure". In this regard I agree with the mover of the amendment in condemning certain programs to which the government has hastily become wedded. Such would include the municipal development and loan fund, some of the budget resolutions, the Canada pension plan, and there are others. However, in fairness to the government I believe I should say that it has shown quite an unusual capacity for repentance. It repented a little in regard to the budget; it reached a compromise with the provinces in relation to the municipal development and loan fund. Two weeks from now the subject of the Canada pension plan will be raised at a meeting of the federal government with the provincial premiers. I sincerely hope this will provide the opportunity for a little more repentance.

As leader of a minority party and as a member of the opposition in this house, my choice in these debates is at best that of the lesser of two evils. This not only applies to many of the arguments which have been brought up by the hon. member for Qu'Appelle concerning his charge against the government; it also relates to the record that his own government set in the previous administration, and I think as it relates to this particular subject with which we are concerned this afternoon it certainly concerns the government that that party followed as well.

In the twenty fifth parliament the government appeared not to do very much at all, and because nothing was done to solve the problems we are thinking about, not many mistakes were made. In the present parliament, in many instances which could be mentioned, the government has rushed in where the angels of the previous government feared to tread. Some of the policies introduced were obviously ill advised. On the other hand, the government's surprising capacity for having second thoughts and taking a second look has saved us from any actual disaster.

We have heard a lot today about co-operative federalism. Accepting the premise that we do face a great number of problems in Canada which concern the provinces, as well as the federal government, which concern the

whole nation, as well as the question of Canada being a nation at all, I think that what we need at this moment is a little bit of co-operative parliamentarianism. I believe we could solve some of our difficulties more effectively if we showed more of this spirit than our record in the past several months has indicated us capable of doing. I say this particularly in light of the fact that for the second time in as many years we find ourselves in a situation in this house where the government does not command an absolute majority.

In these circumstances I certainly believe it would not be in the best interests of the country if the government were overthrown on the basis of the proposition which has been advanced this afternoon. For one thing, we would be denying the Prime Minister (Mr. Pearson) the chance of hearing directly from the provincial premiers what they feel the government should be doing in the field of federal-provincial relations. We would also be denying him a further chance to repent with regard to certain measures which, I believe, have been brought in too hastily without adequate consultation with the provinces.

We heard a good deal about co-operative federalism in the speech from the throne. I imagine this is a phrase which has been left without an owner since the days when the old co-operative commonwealth federation became the New Democratic party. I imagine that both the old line parties, seeing a policy of such shiny appearance and high sounding name lying around unclaimed, have hastily grasped it to add it to their bag of tricks. Like the expression biculturalism, it is one of those expressions which are easy enough to use but far less easy to define. Nevertheless, if what it means is an exchange of ideas between the provinces and the federal government before they are put into effect, I am all for it. Indeed, this is why, according to my understanding, the forthcoming provincial premiers conference has been called.

The former minister of agriculture called attention to an important matter when he spoke of the need for more co-operation at the government level especially with regard to the development of our natural resources. His comments apply particularly to the ARDA program to which he referred in the course of his remarks. He spoke about the spirit of ARDA. But as I look back on the history of that project, all that I recall the federal government saying at that time was that they were willing to invest some federal funds in this project for the rehabilitation of agriculture across the country, while the real work was done by the ministries of agriculture in the different provinces. That is probably not wrong; and is as it should be. But what was needed in those days, as it is needed now, is the motivation and the desire, as well as the necessary mechanics, to make sure that consultation to these ends should take place at both levels and at the time it is called for.

Mention might be made of the whole program of vocational training. We have a number of fine institutions built with the taxpayers' money across this country. We have one such institution in my home city and I am sure many other hon. members have similar institutions in their own communities. Here again, there was a woeful lack of consultation before this program was put into operation. Its result is only too apparent. In many instances building construction was completed far in advance of the actual need. In others, buildings were located in places where it was impossible to give maximum effectiveness to the program. This emphasizes once again how important it is to make sure that when the federal government brings forward any proposals or any legislation which overlaps certain functions of the provincial governments, such proposals should be carried out only after there has been the necessary consultation.

The hon. member for Qu'Appelle was perfectly right to point out that businessmen and even politicians could work together when they put the interest of their country first. I am confident, as I have said before, that no one individual, or no one group in this house, has all the answers to the problems which we face today. If we expect co-operative federalism to mean anything, then it is time we demonstrated a spirit of co-operative parliamentarianism in our work here as well. We can do with plenty of this co-operative spirit in the house. I share the enthusiasm the hon. member for Qu'Appelle displayed about the way we do things out west. I believe the two Social Credit governments in the west are an example to us, particularly with regard to resource development in the interest of their people. Looking across this nation I believe any prime minister would be hard put to develop on the national scene a government which could equal the efficiency and the standard set by most of the provincial governments in Canada at the present time.

This brings us again to the problem we confront in making Canada a nation. All too often, our provincial loyalties and our sectional interests are more firmly based than our national concern. Here again, if we are to make confederation work, it is essential we should begin at the national level so that the impact of what we are doing may spread to the provinces. Already many of the provinces are ahead of us. When we look at the machinery which exists to provide for co-operation between the federal government

and the provinces, machinery which the present government inherited from the previous Conservative government and which they, in turn, inherited from the previous Liberal government, we find it is pitifully inadequate.

Perhaps it is because of the commission on biculturalism and bilingualism which has just begun its work; perhaps it is because there is so much talk in our country now about whether we are to survive as a nation, that I am concerned about interpreting afresh what was in the minds of the original fathers of confederation when they brought into being the Dominion of Canada, to which has been added the succession of provincial divisions since 1867. As I study these early debates and the proceedings of the Quebec conferences which were beginning to take form about 100 years ago today, I find there were two basic principles involved. First, there was a determination to make one nation of this country despite all odds and discouragement. We might say that there was a negative motivation then, because there was a strong desire that this part of North America should not simply fall into the hands of the United States. But whatever the underlying purposes were, these men faced tremendous decisions and tremendous problems which in my view were greater in their day than those we face now. But they did so and they succeeded because there was a determination to make sure that a nation, Canada, came into being and that it did so on such a basis that it could survive.

Second, there was the determination that in making this nation the freedom of every individual would be preserved, that every inhabitant would have the right to preserve his traditional way of life and that in so far as possible these rights would be preserved by law and constitutional safeguards. This did not just apply to the individual. It also applied to the individual provinces concerned. This is why when we go back and study the terms of the act which gave us this country, Canada, we find there were certain definite safeguards outlined and that the authority of the provinces and the authority of the federal government were defined. I maintain that if there were a little greater concern and determination on our part today to make sure that Canada remains a nation and if there were just a little more determination and clearcut thinking on how we can safeguard the rights of the provinces and at the same time give ourselves a federal government that would project itself into a continuing nation, we would not have all the problems we face now.

The second principle of protecting individual rights and provincial rights is in direct contrast to the melting pot theory that has been so common and so dominant in the political development of the United States. It was the basis of confederation and is the very essence of Canadianism today. I believe it is to these two guiding principles that we refer when we talk about the spirit of confederation, that very spirit which is at the heart of Canada itself. If we can face our present problems unitedly in the same spirit of purpose and in the same spirit of intent, then Canada and Canadians can look forward to the future with more enthusiasm and more optimism than is the case at the present time.

The instrument that was designed to carry out these purposes was the statute passed by the United Kingdom parliament that we know as the British North America Act. This act constituted the original provinces into a new nation, Canada. Most significantly, it abandoned the original idea of a single unified government consisting predominantly of French Canadian Lower Canada and Anglo-Saxon Upper Canada and divided them into the two provinces which are our largest provinces today, the provinces of Quebec and Ontario. It reserved matters of legislation for the federal government, and this was essential if Canada was to become a nation. But it also reserved certain subjects of legislation for the provinces, generally those of a local nature as we can see if we study the document. It gave the assurance that the individual rights of the provinces and of the people who live in those provinces would be safeguarded. It embodied certain guarantees of religious liberty and freedom in education and, whether intentionally or not, it made sure that these techniques would be made effective by requiring that no constitutional amendment could be made without action first by the United Kingdom parliament.

Undoubtedly, however, the development of Canada has in some ways not taken place as our founders intended that it should. This is the reason for the discussion we have today relating to the co-operation and the working together of the provincial governments and the federal government here in Ottawa. As I have already mentioned, I believe that the provinces in many ways and in spite of their difficulties have done a better job than has been done at the federal level. Many Canadians, and this does not apply only to the people of Quebec, have a loyalty to their own province, their own people and their own characteristic ways of life that runs more deeply than their loyalty to Canada as a nation. This is understandable and it is not a basically undesirable thing.

But this does bring us to the point that in one area we have fallen short of the original intention of the founding fathers, to

make Canada a nation. In too many cases there has been a complete lack of continuous liaison between the federal and provincial governments. In some areas, indeed, the provinces have been forced, through lack of federal action in a field, to assume powers that originally were contemplated to belong to the federal authorities. We have come a long way from the intention of our founding fathers that, come what may, we would make a nation.

In the last two election compaigns the Social Credit party has insisted that the federal government should take a more realistic approach to the problem of liaison with the provinces. We have talked about it continually in the house. During the private members' hour in the last parliament it was my privilege to present a proposition based on this very same thing. We intend to do the same again in this parliament. The proposition is simply that it is time that the federal government established, not just a secretariat but a full and complete department with a cabinet minister in charge of it which might be called the ministry of federal-provincial affairs. This ministry would be charged with the responsibility of working out those matters which relate to both levels of government.

In reading the agenda of the forthcoming conference with the provincial premiers on November 25 I am very pleased to find that under item 5 there will be a discussion of continuing federal-provincial liaison arrangements. I would urge the Prime Minister at this time to seize this opportunity to discuss with the provincial premiers their opinions with regard to setting up such a department at the federal level. This is not a new idea. It is something that a great number of men concerned with provincial governments are talking about now, and already several of the provinces have taken the lead and have set up their own departments of provincial-federal affairs. I mention this now because I think this is an excellent and opportune time for definite discussions to take place towards this end.

This country is in urgent need of development on a national basis from the point of view of national programs. We need a national highways program. We will never have a system of national highways if we look at the matter only from the point of view of sectional interest alone. The use of our water resources is also a very important matter. The problem of water pollution is something that concerns the nation as a whole, and measures cannot be planned effectively except on an interprovincial basis. There is the question of a national electric grid, which is something that at the present time requires more action and less talk. There is the matter of federal-provincial financial arrangements which is highlighted by the request of Premier Lesage of Quebec. Many of the points Premier Lesage is asking for, as he seeks to meet the fiscal needs within his own province, are the very items that were guaranteed in the original confederating arrangement. They are things which more than just one province is thinking about and talking about today.

We have heard some discussion this afternoon relating to the various cost sharing programs; but why, and under what definition of administrative efficiency can we expect, or should we expect the federal government to be collecting taxes, which in turn it hands back to the provinces? In order to hand them out, it has to retain a certain amount of control. Why should not the federal government step out completely from some of its tax collecting fields and give the provinces the responsibility?

If I understand correctly what I read in the papers and hear from different politicians at the provincial level, the whole question of hospital insurance is in desperate trouble at the present time. We will need a federal-provincial conference to talk about this before too long. There is also the question of the federal government's responsibility in the field of health. Mr. Speaker, it is not good enough that we continue as we have been going on.

Not to belabour the point, or take too much time in the discussion this afternoon, I would only say that if the federal government is not to become hopelessly bogged down in the future, in introducing programs here and withdrawing them there, making enemies of the provincial governments more through clumsiness than through conflicts of policy, such a ministry or department of government is urgently required. Such a department could provide the channels of organization and communication, backed by the authority of a minister of the crown. It would on a permanent basis be able to discuss with the provincial governments the impact of the different levels of government on each other.

This proposition is not something new. In the United States, which has a federal government set-up, there is a secretary of the interior whose basic responsibility is the very thing I am talking about. In the commonwealth of Australia, where the autonomous rights of the states are even more clearly defined than some of the rights of our provinces, it has moved forward to take such action.

I would respectfully urge the Prime Minister to consider this, and consider it in

the immediate future. We should not be dragging the provincial premiers to Ottawa every three or four months, each time a problem comes up on which their advice is needed. This is the type of crisis government which has been too typical of our federal administration for too long. Why cannot we see into the future and anticipate some of these problems before we come to them? That is why the consultative aspect of government, particularly on the federal government level, is something which is most urgent.

My sincere hope is that this coming federal-provincial conference will be the starting point for some permanent means by which provincial consultation in all fields can take place. Somehow I wish yesterday had not been a holiday. Our debating time on this important subject is limited now because the debate on the supply motion closes tonight. I do hope we can come back again to this very important problem during the course of the present session and hear from all corners of the house so that we can demonstrate effectively, not only to the nation at large but also to ourselves, that co-operative federalism begins at this moment through co-operative parliamentarianism in this chamber.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I am very pleased about the present discussion, because it will allow us to become aware of the situation prevailing in Canada, since the need to make the necessary suggestions is being felt.

It is a comfort to know that the present debate, after many other occasions, is an indication at least that people are eager and willing to use their brains in order to find solutions to the problems now existing in Canada with regard to the relations between the two great races.

Mention was made of joint programs, of the action taken generally by the federal government in that field, as well as all the problems regarding federal-provincial relations.

This situation has been simmering for a long time.

Personalities from all political parties, from the federal and provincial governments, from the business world and universities regularly discuss it.

I should like to quote a few excerpts from various conferences showing the importance of the problem. Thus, on October 3 last, the hon. member for Iles-de-la-Madeleine (Mr. Sauve) mentioned, as reported in *Le Devoir* of October 3, 1963, the following:

> The hon. member for Iles-de-la-Madeleine stated yesterday in Montreal that the time had come for the federal government to withdraw from provincial fields of jurisdiction, especially the social security field.

That was the hon. member for Iles-de-la-Madeleine speaking.

The leader of the Union Nationale party stated last June 16:

> If Ottawa does not meet the demands of the younger generation, we will eventually be faced with separatism.

The premier of Quebec, the Hon. Jean Lesage, stated, as reported in the *Globe and Mail* on October 1, 1963:

[*Text*]

> On the question of joint federal-provincial programs Mr. Lesage said Quebec would always denounce federal incursions into fields reserved to the provinces by the British North America Act.

[*Translation*]

According to the November 4 issue of *Le Devoir*, Mr. Rene Levesque, minister of natural resources in the provincial government, also gave his views as follows:

> Mr. Rene Levesque stated Saturday that Quebec will have to think of withdrawing from confederation if it is found impossible to have the two great nations of Canada live on equal terms in a federal system. Mr. Levesque added, when asked to deal with the taxation problem, that if Quebec does not succeed in making its opinion prevail at the next federal-provincial conference on taxation, there will be very few chances left to renegotiate the Canadian constitution.

According to *La Presse* of October 22, 1963, Mr. Gerard Levesque, a member of the provincial cabinet, said:

> The old worn out trick of the *"fait accompli"* will be all the more intolerable as we shall be left with a choice between two equally unacceptable alternatives, abject subordination or total independence.

*Le Droit* of October 31, 1963, quotes Mr. Guy Rouleau, member of the House of Commons, as saying:

> Unfortunately, French Canadians who travel outside of Quebec feel they are in a foreign land.

Mr. Speaker, those are statements which speak for themselves.

On June 29, 1963, Mr. Maurice Sauve said:

> French Canadians do not feel at home outside of Quebec borders, and we feel also that the federal government is not truly our government.

Mr. Speaker, here is indeed abundant proof that we should stop and consider this national problem.

Today, the hon. member for Qu'Appelle (Mr. Hamilton) and the hon. member for Burnaby-Coquitlam (Mr. Douglas) spoke in favour of joint programs.

The hon. member for Burnaby-Coquitlam even referred to the statement made by the premier of British Columbia to the effect that, under the equalization program, the province of Quebec had received $65 million more than it had contributed, and that it had everything to gain by remaining within confederation.

*Lack of Consultation with Provinces*

Mr. Speaker, I took the trouble to look up the most recent statistics and I find that it gets less than its contribution to joint programs. In fact, under our federal system, it gets much less than it contributes. All my figures are taken from statistics prepared by the federal government.

Let us take first of all the annual report of the Department of Forestry for 1962, that is the last one which is available.

Out of a total amount of $11 million paid by the federal government to the provinces in respect of forest inventories and reforestation, the province of Quebec receives absolutely nothing.

As for the grants to the provinces for forest fire protection and forest access road construction, the province of Quebec got $1,277,233, that is 18 per cent of the total amount of $8,823,680.

Again, the province of Quebec has not received a penny of the $4 million which the Department of Forestry has provided for air spraying operations.

My province has received nothing either of the $13 million paid out by the federal government for reforestation under forestry agreements. That is the situation within the Department of Forestry.

Let us come now to the report of the Farm Credit Corporation for the fiscal year ended March 31, 1962, the last report which is available. We find that only 1,869 mortgage loans amounting to $7,074,000 were granted in the province of Quebec out of 34,175 loans amounting to $217 million.

So, I say that the $65 million paid out to the province of Quebec under the equalization system is already more than offset by those various grants.

In fact, if we consider what has been received by some provinces much smaller than Quebec, we see for instance that Alberta borrowed $46 million, Saskatchewan $66 million, Manitoba $15 million, Ontario $65 million and, as I have already said, Quebec $7 million.

And the allotment by province of farm loans approved during the year ended March 31, 1962 indicates that out of 5,885 loans made in Canada, only 109 were made in the province of Quebec, that is 5 per cent; besides out of the total amount of loans, that is $68,574,000, Quebec received only $1,786,000, when loans made in Ontario amounted to $17 million, $5 million in Manitoba, $19 million in Saskatchewan and $18 million in Alberta.

A study of the same report reveals that out of 20 supervisors of credit working for the corporation, two are assigned to Quebec, five to Ontario, two to Manitoba, four to Saskatchewan and five to Alberta.



Of the 132 credit advisers in the country, four are in the province of Quebec, 25 in Ontario, 12 in Manitoba, 36 in Saskatchewan and 32 in Alberta.

Mr. Speaker, it is easy to understand why the former premier of Saskatchewan declares himself for joint programs, when in his province alone, there are 36 credit advisers of the Farm Credit Corporation, while there are only four in the province of Quebec.

In analysing the report entitled Technical and Vocational Education in Canada, published in English only, one sees that the federal government's share in the building of technical schools in the province of Quebec amounts to $25,714,000 while it amounts to $200,017,000 in Ontario. On the other hand, the province of Alberta, much smaller than Quebec, has benefited from a federal contribution totalling $37 million, as compared with $25 million contributed to Quebec.

Mr. Speaker, this does not apply only to this government, but rather to all the governments which succeeded one another over many years.

The annual report of the Department of Labour for the fiscal year ending March 31, 1961 reveals that in the field of training given the unemployed, the federal government has largely contributed, and that out of a total of 10,774 there were 4,170 unemployed registered under this scheme in the province of Quebec. I believe that it is in this respect that the province of Quebec gets the most assistance because it has more unemployed than any other province in Canada.

On the other hand, for vocational training of the handicapped and for federal grants, we find that total payments amounted to $329,566 in 1961 and that nothing at all went to the province of Quebec.

As for training in primary industries and in domestic economy, the federal government paid out a total of $100,877.03 in grants and the province of Quebec received absolutely nothing.

Mr. Speaker, I see that the Secretary of State (Mr. Pickersgill) is in his seat and I shall take this opportunity to discuss the annual report of the Canadian civil service commission for the year 1962. In so far as the grouping of the federal government employees by provinces is concerned, we find out that out of a total of 201,657 federal civil servants, the province of Quebec has only 31,952, that is about 15 per cent, while the province of Ontario has 87,369.

Those figures, Mr. Speaker, are thought provoking.

Mr. Speaker, if we take the annual report of the Department of National Health and Welfare for the fiscal year ended March 31, 1962, we find that the payments made by

Canada to the provinces taking part in the hospital insurance scheme amounted to $678,533,000. I suggest the hon. member for Qu'Appelle and the hon. member for Burnaby-Coquitlam have a look at the statistics to see whether or not the province of Quebec wishes to keep on participating in joint programs.

**An hon. Member:** One would have to see Mr. Bennett.

**Mr. Gregoire:** The premier of British Columbia is the same as the others.

Out of this amount of $678,533,000, which is the total sum paid by Canada to the provinces taking part in the hospital insurance scheme, the province of Quebec received $86 million, Ontario, $274 million, British Columbia, $81 million—that is nearly the same as the province of Quebec.

Let the premier of British Columbia say that Quebec gets more than the others if he wants to. He is getting $81 million out of a total of $678,533,000, while Quebec only receives $86 million. Saskatchewan got $52 million, Alberta, $61 million and Manitoba, $46 million. Those three provinces together are smaller than the province of Quebec and yet they receive twice as much.

Mr. Speaker, those figures speak for themselves.

[*Text*]

**Mr. Douglas:** Mr. Speaker, would the hon. member permit a question? Is it not true that the provincial governments get a percentage of what they spend, and therefore if they spend more, they get more?

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, even if it was spent according to a quota, as suggested by the member for Burnaby-Coquitlam, it remains just the same that the figures are there and that, if you talk about dollars and cents, we help through our accumulated taxes, to make up that total amount. And what amount do we get? That is the difference.

Now, Mr. Speaker, I submit that, in the province of Quebec, the hospitalization needs of the population are as great as in the other provinces. But, in our province, it often happens that sick people have to wait three, four and even five weeks to be admitted to the hospital because there are not enough beds.

But if the province of Quebec received its share of revenue, then it could build its own hospitals.

I think, however, that I could answer the question asked by the member for Burnaby-Coquitlam.

It happens that the province of Quebec, because of its mentality, its desire to grow according to circumstances that are peculiar to the French Canadian group, often does not accept all the federal government's laws and regulations. That is precisely why the province of Quebec does not get all it should from joint programs.

Now, if you look at the statement of federal payments for assistance to old people, the blind and the disabled—when the figures are favourable, they must be quoted also—you will find that out of $16 million, the province of Quebec gets $7,460,000, or almost half the total amount. I wish to give all the figures, those that are in our favour as well as those that are not.

By the same token, according to the federal-provincial agreement on unemployment insurance, the province of Quebec received in January, 1962, $2,957,000, out of a total of $10 million, that is to say approximately 30 per cent.

As far as the geographical distribution of full time jobs is concerned, on March 31, 1962, the province of Quebec had 358 such jobs out of a grand total of 5,213. Those figures are taken from the annual report of March 31, 1962, issued by the Department of National Health and Welfare.

If we look at the annual report for 1962, which we have just been given, I mean ARDA and not the Farm Credit Corporation Act, we will find in it highly significant figures.

Some of the loans are categorized according to provinces or to objectives, there are loans for buying new or second hand farming implements, loans for construction, repairs and alterations of houses and other farm buildings, loans for buying of cattle, and loans earmarked for various improvements. Out of a total of 72,621 loans, 3,244 loans have been granted to the province of Quebec, 13,508 loans to Ontario, 9,639 loans to Manitoba, 20,368 loans to Saskatchewan, (observe the difference with Quebec), 21,523 to Alberta.

If we express the total in dollars, we see that out of $118 million, Quebec has been granted $5 million, Ontario $23 million, Manitoba $15 million, Saskatchewan $31 million and Alberta $34 million.

I come now to the loans for the purchase of farm machinery. The province of Quebec got only 2,660 loans out of a total of 55,955, or $3,770,000 out of a total amount of $87 million.

In my opinion, Mr. Speaker, those figures are revealing.

The 58th report of the board of transport commissioners December 31, 1962, also contains some interesting figures.

In fact, statement 1 of appendix B, entitled "Expenses by population for grade crossing protection from 1909 to December 31, 1962"

indicates the percentage of population and the amount paid out of the railway grade crossing fund. Out of a total of $62 million, $8.7 million were spent in the province of Quebec. With 28 per cent of the over-all population of Canada, Quebec got only 13 per cent of the amount paid out of the railway grade crossing fund. Ontario, with 34 per cent of the national population, received $31,950,000, which is 50 per cent of the total amount.

As for grade separation, reconstruction of grade separation and relocation of public facilities, Quebec got only 24 projects, or a measly one eighth of the total number of 194.

Of the 582 automatic signaling devices covered by the grade crossing improvement program, 76 were installed in Quebec, 70 in Alberta and 260 in Ontario.

Those are self-explanatory figures, Mr. Speaker.

Out of a total of 1,380 other projects carried out under orders issued by the Board of Transport Commissioners for Canada, 288 were in the province of Quebec—that is 1 out of 6—454 in Ontario and 240 in Alberta. that is more than in the province of Quebec.

We could keep on giving statistics of that kind. Let us have a look at the Post Office Department, for instance, and more particularly at the annual report for the year 1962. Under the following heading "Address-book, sales and distribution", one can see that out of a total of 9,739 post offices, 1,532 are located in the province of Quebec, 3,112 in Ontario, 1,329 in Alberta and 1,103 in Saskatchewan. Those are statistics that speak for themselves.

According to the 32nd annual report from the fisheries department, that is available in English only, mind you, total expenditures for all provinces in 1961-1962 reached $23,-097,000. How much has been spent in the province of Quebec—$555,473 or 2 per cent of the total amount. In Ontario, the amount was $394,000, a little less than in Quebec, in British Columbia, $8,165,000; in New Brunswick, $2 million, that is four times that of the province of Quebec, and in Newfoundland, $4,600,000, which is almost ten times the amount spent in Quebec.

Now, let us take the report of the Department of Northern Affairs and National Resources. There is a whole list of statistics; I will skip over some of them and will mention only the most important ones—development of roads leading to resources.

According to the 1962 report, Canada has spent $747,000 up to now for the province of Quebec out of a total of $34 million. No other Canadian province receives less than the province of Quebec. Newfoundland's share is $1,929,000, Prince Edward Island's, $3.5 million, and the province of Quebec gets only $747,000, while Saskatchewan receives $4,457,000. Those are the figures, Mr. Speaker.

Let us look now at what we give. It will be interesting also to see what is given to the federal government in return for what is obtained.

I find, for instance, in the report of the Department of National Revenue, statements of the returns yielded under the Income Tax Act and the Estate Tax Act for the fiscal year April 1, 1961 to March 31, 1962. This is the last report that I could get in French. For the province of Quebec, the total is $925,722,000 out of a grand total of $3,588 million, that is 28 per cent in proportion to the population. In this case, we do pay our share.

If we look at the general income tax and the old age security tax under the heading "Direct payments by individuals", we find that the province of Quebec pays $130 million out of $557 million. Here again, we do pay our share. Under tax deductions at the source, we find that Quebec pays $339 million out of a total of $1,530 million for all Canada. We do pay our share.

With regard to the tax on the profits of crown corporations, the province of Quebec provides $405 million out of a grand total of $1,303 million. When it comes to paying, Mr. Speaker, the province of Quebec pays its share indeed.

Now, let us consider the excise tax: $410 million. If we refer to the table entitled: "Summary by provinces"—we have to look on the back of the report to find the French titles—we read the following:

> Report of the Department of National Revenue, including summaries concerning the proceeds from customs and excise and other services, etc. ... for the fiscal year ended March 31, 1962.

Total receipts for import duties, sales tax, other taxes or excise taxes, various levies; total receipts for the province of Quebec $410 million; the province of Ontario, $497 million; plus the receipts from the regional offices, that is an additional amount of approximately $500 million and another sum of $50 million for the province of Quebec. We do more than our share in this field. And what does the province of Quebec receive in return?

When it comes to storing nuclear arms in Canada, over two thirds of the nuclear bases are located in the province of Quebec.

Such is, Mr. Speaker, the contribution of the province of Quebec. And we are told that we must maintain this co-operation. Well, I say we give but we do not receive proportionately to what we give.

They talk about the $65 million which we draw under the equalization plan, but this is offset by the contribution we make, as all

other provinces, to all joint plans, but from which we do not receive the share to which we are entitled.

It is not surprising there is agitation going on at the present time in the province of Quebec.

I think, Mr. Speaker, that we did our great part and that we are in a position to ask that this system be reconsidered, to ask that the province of Quebec be allowed to deal from now on with its own problems and find by itself solutions to them.

Time has come, Mr. Speaker, to set out exactly what the province of Quebec wishes and what it expects of a reconsidered constitution and a revalorized confederation.

First of all, and I think that the evidence which I presented at the beginning by quoting various excerpts of speeches given by ministers of the government of Quebec is conclusive on that point, the most important point on which we, Quebeckers, are insisting, is that the fiscal agreements must be reconsidered so as to restore to the province of Quebec its sources of revenues in order that it can develop in accordance with its own aspirations, its own culture and its own atmosphere, in short in accordance with the culture proper to French Canadians. That is the first point to consider.

We want to put an end to joint programs. We are convinced that if the province of Quebec is given back its own sources of revenues, so that we can levy ourselves taxes which we need for our own development in the province of Quebec, then we will settle the most important of the problems which are now facing confederation.

I should like to point out to the present government and to the Prime Minister in particular that the province of Quebec unanimously support the ultimatum given by its premier (Mr. Lesage) concerning the 25 per cent of corporation taxes, 25 per cent of personal income tax and 100 per cent of succession duties. At the time, Mr. Lesage stated that that was only a beginning.

Indeed, the final objective—

**Mr. Deputy Speaker:** Order. I regret to interrupt the hon. member but his time is over, unless there is unanimous consent of the house to allow him to finish.

**Mr. Gregoire:** Mr. Speaker, I shall be through in four or five minutes.

**Some hon. Members:** No, no.

**Mr. Denis:** Not more than five minutes.

**Mr. Balcer:** Go on.

**Mr. Gregoire:** Mr. Speaker—

**Mr. Deputy Speaker:** Order. I do not think that the hon. member has unanimous consent. Order—

[*Text*]

**Mr. Pickersgill:** I would hope the hon. gentleman would be given another five minutes to complete what he has to say.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I wish to thank the Secretary of State and the hon. members of this house as well; I will only take five minutes to make my representations and draw the conclusions from the figures which I just mentioned.

The first means is the fiscal readjustment up to 100 per cent of our sources of income. And this has indeed been agreed to by the Prime Minister of Canada himself in a statement which he made in the house on December 17, 1962 in connection with the problem of bilingualism and biculturalism in this country. Here are his words:

> It is now clear to all of us, I think, that French-speaking Canadians are determined to become directors of their economic and cultural destiny in their own changed and changing society.

The Prime Minister himself was thus admitting that French Canadians are determined to become directors of their economic and cultural destiny in their own changed and changing society. We realize that and it is for this reason that we have given top priority to this plank of our platform. There is no way to save our culture if we do not control our income sources, if we do not control our economy, if we do not control our spending capabilities, so that our expenditures will be tailored to our own revenues and our own requirements. That is the first condition which will allow us to save our culture.

I heard a moment ago the hon. member for Burnaby-Coquitlam tell us that the government would emerge weakened in its taxation policies if it gave up joint programs.

To this, Mr. Speaker, I must say that the government will never be weakened in its economic and fiscal system, or, rather, that it should not base its economic and fiscal policy solely on the levying of taxes from the people, it should base its economic and fiscal policy on something other than the taxes paid by the people, it must base it rather on the assets and the possibilities of development of the country, and not on the taxes it is able to collect.

The Minister of Finance (Mr. Gordon) in the budget he presented last June made the same remark. I would tell him it is why French Canada, at the present time, does not wish to be controlled in its economy and claims 100 per cent of its total sources of revenue.

*Lack of Consultation with Provinces*

There are other subjects, other problems, which must be settled, but I believe they will easily be settled as soon as a re-shaping of the constitution takes place so that two races shall live side by side without discrimination is allowed to develop economically The day this is realized the French Canadian nation is allowed to develop economically and culturally, then it will be possible for understanding to exist between the two races in the country, and those two great races will be able to develop by themselves and for themselves. Until then, it is useless to think of it.

Mr. Speaker, in concluding, I call for the co-operation of everyone and I ask them to understand before it is too late. If some people, lately, feel an obligation to make statements on separatism, nationalism, the future of confederation and the future of joint programs, it is because they feel there is a problem in Canada. That problem must be dealt with. I ask everyone to seek a solution in the right direction and co-operate before it is too late.

We must realize our present situation instead of trying to elude the problems, but we must seek a legitimate, an appropriate solution before it is too late. That is the wish I should like to express.

Let us realize that at the present time, the French Canadians would like our two great nations to be able to live on the same footing and in an equal partnership.

Before the royal commission on biculturalism, a spokesman for the Ontario junior board of trade recently suggested that the French Canadians have been complaining for a long time. That is why our position may now seem demanding. That same spokesman for the Ontario board of trade also stated that biculturalism is no problem because a century ago, French Canadians were 60 per cent of the population, they are now 30 per cent, and in 100 years from now, they will not even number 10 per cent of the population of Canada.

That is possible, but before it happens, before it is too late, Canadians want to consolidate their position and they want a confederation founded on a basis which would give more weight to the fact that they are a nation which they want to develop by themselves and for themselves, regardless of their numbers.

Only the government of the province of Quebec can ensure blossoming of French culture. We do not rely any longer on the Ottawa government for the development and expansion of that culture, and that is why we want to have 100 per cent of our financial possibilities with which we will be able to develop by ourselves and for ourselves.

People want a strong Canada based on the two greatest cultures in the world, the English culture and the French culture.

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I think all members of the house will be grateful to the hon. member for Qu'Appelle (Mr. Hamilton) in at least one respect—that he moved an amendment which made it possible for this house to discuss what is perhaps the most serious domestic question which faces us at the present time—as important a question as any which has faced Canada for many generations, because it is one which goes beyond the narrower limits of fiscal and other relations between the provincial government and the federal government; it goes into the whole question of confederation and, inside confederation, the relationship between the two founding races.

Perhaps I might be permitted to say at the outset that I agree 100 per cent with the closing words of the hon. gentleman who has just resumed his seat, if I understood them correctly, to the effect that it must be possible within confederation for Quebec to develop its own identity, its own rights, and to enjoy its own privileges, but inside a strong and united Canada. I should like to express my appreciation of the constructive and forward looking contributions made to this debate by the hon. member for Burnaby-Coquitlam (Mr. Douglas) and the hon. member for Red Deer (Mr. Thompson) speaking on behalf of their parties. I think they treated the subject as it deserved to be treated and as I think it can be treated in the House of Commons, namely as one which is of an importance beyond party politics, even though it is impossible at times to discuss it without bringing party politics into it. Because we are all human, especially, perhaps, those of us who sit in this House of Commons. But the subject has been raised to a high level of debate by the contributions I have just mentioned and I hope I shall be able to keep it at that level.

I agree with the hon. member for Burnaby-Coquitlam that on the eve of a provincial conference, where very far reaching decisions will be made affecting the future and the destiny of our nation, it is more important to work out policies which will achieve the right objectives of strength and unity—unity without uniformity—than it is to allocate, at least at this time, praise or blame for what has been done or neglected in the past. Perhaps the hon. member will allow me to say that it may be a little easier for the hon. member for Burnaby-Coquitlam to do that than it

would be for the right hon. gentleman opposite and myself, because up to the present, at any rate, not having experienced the privileges and responsibilities of office, the hon. gentleman and his friends have no record, in this respect at least, on which they can be praised or blamed. I hope, therefore, the hon. member will not think me disrespectful if I say it is somewhat easier for them to put on the cloak of purity and perfection in this matter than it is for us, who are the products of everything that has gone on before.

The hon. gentleman who moved the amendment adopted what I have often heard referred to by himself and his friends, when they were sitting on this side of the house, as a scattergun approach to a motion of no confidence. I cannot help but recall—and I do it, as Humphrey Mitchell used to say in this house, "in a kindly way,"—that when we erred in that respect, when we were on the other side—and I was one of the sinners in this regard, talking for a long time on a variety of subjects dealing with what I considered to be the iniquities of the government of that day before coming to the motion of no confidence—

**Mr. Diefenbaker:** You have not changed in that respect.

**Mr. Pearson:** We all change, depending upon where we sit. Some change for the better, and some change for the worse.

**Some hon. Members:** Hear, hear.

**Mr. Pearson:** But hon. members opposite will certainly recall the indignation which used to be expressed at that time by the leader of the house, the hon. member for Winnipeg South Centre (Mr. Churchill) and by the former minister of finance, Mr. Fleming, because we were out of order in making that kind of approach to an amendment. Well, we did not raise this point today, and I am glad we did not because the hon. member for Qu'Appelle was able to roam far and wide over the whole field of government iniquity and opposition purity. He was, in doing so, unduly preoccupied, I thought, with personalities and partisan matters but I make no complaint on that score.

**Mr. Herridge:** He did it in a kindly way.

**Mr. Pearson:** Well, once or twice I was tempted to think he fell from grace in that respect, but perhaps I am unduly petulant these days—or, at least I am, according to one of the hon. gentlemen opposite. He was certainly preoccupied with the record of his party, which is understandable, and to that record he gave a paean of praise based on press clippings, on books and on some autobiographical material of his own. He was also very preoccupied—and he looked hard at me when he got on to the subject—with the leadership of this government and of this party. I admired, I was about to say, his audacity in dealing with this matter of leadership. He talked from time to time about divisions within this government because of its leadership, and about disunity inside the cabinet. He even went on to compare this with the great days of a year, two years, three years and four years ago and said that there were hornets nests stirring around the leadership today and there were no hornets nests stirring around the leadership in those days. I will leave him to his reminiscences on that matter.

Toward the end of his statement he moved this amendment:

> That this house condemns the government for its failure to carry out the spirit of co-operative federalism and for its neglect to consult with the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction.

As the hon. member for Burnaby-Coquitlam (Mr. Douglas) pointed out, he has condemned us for our failure in the field of co-operative federalism after less than seven months in office, during which time, Mr. Speaker, there has been constant consultation with the provinces. I think it will be shown by the forthcoming conference with the provinces that that consultation and the spirit in which it has been conducted will be successful in terms of results from that conference.

I am sorry that the hon. gentleman is not in the house at the moment because I dislike talking about him while he is not here. I am sure he has a very good reason for being away. He may be on television again. He has condemned us because during this period of seven months, and seven months is a very short period in the life a government which will extend for four or five years—

**Mr. Starr:** Why do you look at the hon. member for Red Deer (Mr. Thompson) when you say that?

**Mr. Pearson:** I was not looking at the hon. member for Red Deer. I was looking at the right hon. gentleman opposite when I said that. The hon. member condemned us because we had not consulted with the provinces. Indeed, he used very strong language as to the state of relations now existing between the provinces and the federal government because of our attitudes, our lack of consultation and our procedures and policies. Indeed, we were condemned by one hon. member opposite, whom I am looking at at the moment, in an interjection which indicated that we should not have brought into the

House of Commons certain policies and certain legislation which concerned the provinces, admittedly without having consulted with those provinces, before we were elected to form a government, which would be a new version of co-operative federalism. With all respect, Mr. Speaker, I do not think we can go quite so far as that in consultation.

The hon. member for Qu'Appelle (Mr. Hamilton), citing various ministerial delinquencies in this field of non-co-operation and non-consultation, mentioned specifically, among others, the Minister of Fisheries (Mr. Robichaud). He gave him, if I may use a vulgarism, quite a going over because in his field he had done nothing to consult with the provinces before the conference on fishery matters with all the provinces, which has been called to meet in January of 1964, I believe.

The Minister of Fisheries gave me the result of some inquiries he had made for me. I wish to point out that already in his relatively short period in office he has met with the ministers responsible for fisheries in Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick, Quebec, Saskatchewan and Manitoba, and he has received specific proposals from each of the ten provinces in connection with the January conference. I think that is a very good record in regard to consultation and a record which I think other ministers could, if not equal, at least approach.

I think we all agree that whatever may have been the practice in the past—by the past I am not thinking only of the last five or six years but the last 25 years—whatever may have been the record, whatever may have been the attitude of the federal governments in those years, the time has now come that we must consult with the provinces in what we now call co-operative federalism on every matter, not only those which are within their jurisdiction, in which case consultation must be obligatory and automatic, but also on all matters that are of direct concern to them.

The hon. member for Qu'Appelle referred to his own experience in this regard leading up to the resources conference. I think that was a desirable and effective initiative on his part and on the part of the former government, resulting in a very constructive conference which was responsible for the setting up of federal-provincial machinery which I agree should be a model for this kind of thing. This is not the first time this has been done, but it is the most recent occasion on which it has been done on such a large scale. As a matter of fact, I do not know whether it has been done previously in this way on such a large scale but I hope it will be the kind of model we will follow in the future. If it is successful, as I am sure it will be, undoubtedly it will be a model for the future. There may well be that kind of a conference with a council emerging from it of federal-provincial ministers in other fields. Perhaps something will emerge from the forthcoming provincial-federal conference in this direction. I hope so, because that may be the direction along which we should proceed so far as consultation is concerned.

We were also criticized this morning and we have been criticized in the house very vigorously previously as a government, because we did not adopt the right courses in regard to consultation with the provinces on such matters as the municipal development fund, the contributory pensions plan and others. I mention only the two matters now, the municipal development fund, which is certainly within the jurisdiction of the federal government, and the contributory universal portable pension plan, which is also certainly within the jurisdiction of the federal government as the result of a constitutional amendment by agreement with the provinces that brought it within its jurisdiction.

Therefore, constitutionally, the federal government has the right to go ahead in these matters, and in putting forward proposals on behalf of our party when we were in opposition I think we were quite entitled—in fact, there was no other way of doing it—to put forward proposals for a municipal development fund and a contributory pensions plan. We have carried out one of these proposals and we intend to carry out the other. However, when we took on the responsibility of office we were then confronted with the problem which I suppose confronts any government in a situation of this kind, or certainly will in the future. That problem is whether the consultation which is required in respect of a matter in which the provinces express their direct interest and in which perhaps they share jurisdiction—they do in the case of the pension plan—should take place in advance of anything being brought into the house, on the general idea that we should secure their agreement in principle and perhaps even in detail with regard to the legislation before it is even introduced into the house in the form of a resolution. Or whether on the other hand we should consult with them on the basis of a resolution which has been introduced into the house and perhaps even legislation which has received second reading with the idea of changing that legislation in certain circumstances as a result of the consultation.

I think the latter course was the better in the cases I mentioned, and I think it will turn out in the future to be generally the preferable method of consultation, that is, to consult with provincial governments on the basis of a concrete proposal. You do, however, take the political risk in the event of the consultation, of withdrawing in some respects from your own proposals that you submit to them, and you will be accused of altering your proposals, of giving in to pressures and all the rest. But I do not think that is a very high price to pay if, as a result of the consultation and the changes you make, you then have a piece of legislation which will be acceptable not only to the federal parliament but also to the provincial legislatures.

**Mr. Herridge:** May I ask the Prime Minister a question? Would he say under those circumstances what he is doing is that he is actually in effect working from experience by having a motion before the house?

**Mr. Pearson:** I think, Mr. Speaker, I have said that in these particular cases that was the best way to proceed. I am not going to say this will always be the best way to proceed, but I think it will turn out to be in the majority of cases that require consultation with the provinces.

The contributory pension plan is another example, quite apart from the fact that a decision of a provincial government, in this case Quebec, taken after we had assumed office, made some change in the resolution which we had introduced inevitable in any case. I think we were well advised to follow the course we did in introducing a resolution and explaining that resolution in detail, and then submitting the details of the resolution to the provinces for consideration before proceeding, even though that means, as it will in this case, changes in our ideas, plans and original proposals, but changes which I think will make the proposals and legislation acceptable, I still dare to hope, to all the provinces of Canada.

But in any event this is the kind of legislation on which the federal government can proceed even if one province, one major province, contracts out. In that case, if that contracting out continues—and this is the responsibility of the government in question—we will still have further conferences with the provinces, as a result of which we will introduce legislation which I hope will be acceptable to them, and we will do that without any delay that can be avoided. I give that pledge, because I was asked by the hon. member for Burnaby-Coquitlam whether we still felt the same way about our promise in this field.



We are, as I have said, facing a vitally important conference with the provinces. We had, if I might term it—

**Mr. Diefenbaker:** Before the Prime Minister goes on, could I ask whether or not he or the government of Canada were aware of the plan of Premier Lesage prior to the time that the Minister of National Health and Welfare introduced the resolution regarding social security in this house?

**Mr. Pearson:** No, Mr. Speaker, I was not aware of the decision of the government of Quebec, taken for reasons which I do not quarrel with at all, and with which I am sure my hon. friend does not, but for reasons which were considered very strong in their case. I was not aware of their decision to contract out before we introduced our own scheme.

**Mr. Diefenbaker:** What were the reasons?

**Mr. Pearson:** And I may say our own scheme was drafted on the assumption that all the provinces would be co-operating with it.

**Mr. Diefenbaker:** Was the Prime Minister aware of the Quebec position at the time the resolution was introduced, not when the matter was first discussed?

**Mr. Pearson:** Mr. Speaker, I have not got the dates in question in my mind, but I will be very glad to look that up. I am not trying to avoid the answer. I am not sure exactly when the resolution was introduced or when we were informed by the provincial government of Quebec of the action they were going to take. I will find that out, and it can be found very quickly.

Now, we had in July what I have described as in essence a preliminary federal-provincial conference. These matters of joint concern were discussed. It is quite true that the federal government, as a result of this conference, made changes in certain proposals which it had submitted or intended to submit to the House of Commons. I am thinking particularly of the municipal development fund. But in making those changes in the case of the municipal development fund the principles of the legislation we had introduced into this house were maintained. We did not default on the principles of the legislation which had been introduced. In respect to the contributory pension plan we have made it clear that we propose to proceed with a universal, contributory portable pension plan.

It was suggested, in fact more than suggested, it was stated this morning by the hon. member for Qu'Appelle that relations between the federal and provincial governments had deteriorated, that they were in a bad way and that we were responsible for this. Indeed

this is the foundation of his motion of no confidence. I think it is necessary, because of what he said this morning, to put on the record some evidence, as he put on the record newspaper evidence to support his case.

I will put on the record statements made by provincial leaders at that conference, as to what they thought about the results of the conference and the way it was conducted. The premier of Quebec, in his press release at the end of that federal-provincial conference on July 27, issued this statement:

> The Quebec government expresses its satisfaction for the spirit of co-operation on the part of the federal government and the comprehension of the various provincial delegations.

He went on:

> It is now evident that it is possible within the Canadian confederation to find formulas and agreements which give satisfaction to the legitimate point of view of Quebec without depriving the other provincial governments of their rights to obtain different conditions.

Then the provincial secretary of the government of British Columbia told a reporter after the conference ended:

> Good will was going out of everybody's ears. We could stand a lot of the co-operation that was established there.

**Mr. Diefenbaker:** What did he say the day before yesterday?

**Mr. Pearson:** I have another quotation from the Canadian Press account of the conference. On July 29, 1963, the Canadian Press reported Premier Lesage as saying in part, and it quotes him:

> It would appear that the system of confederation has entered into a new era

And it is evident from his press statement that he meant a better era. Premier Lesage went on to tell the reporter, and I quote from the Canadian Press report:

> Never have I seen such a spirit of good will and co-operation.

And again, to complete the quotation:

> The former government would say, "We will consider your demand," or "this is our decision." But at this conference, the government was willing to discuss particular amendments to its bills and accept our suggestions.

**Mr. Pigeon:** What did Rene Levesque say?

**Mr. Pearson:** The conference did not have the pleasure and the privilege of having Mr. Rene Levesque as one of its members. Possibly the next conference will, and it may be we will be able to get the same kind of statement from him after it is over.

The Canadian Press report goes on to say:

> Senior advisors who have sat through such meetings for years—either on the federal or provincial side—said the kudos, coming from practically all delegates, appeared genuine.



They noted that a communique usually refers to a "spirit of co-operation" but in this case they were "not just words".

This is confirmed by some of the remarks made at the end of the conference, according to Southam News Services, by provincial leaders:

> "Great improvement", said Manitoba's Duff Roblin.
>
> "I am happy," said Ontario's John Robarts.
>
> "Everybody's delighted", cried Joey Smallwood expansively.
>
> "This is by far the most successful federal-provincial conference we have had since I assumed office", said New Brunswick's Louis Robichaud.
>
> "I'm happy with the result and even more happy with the spirit of the conference", said Alberta provincial treasurer E. W. Hinman.

In the face of that reaction, that response to the conference which the provincial leaders held last July, the hon. member for Qu'Appelle said, on the eve of this forthcoming conference, that he is convinced it is doomed to failure; that it is doomed before it has begun, because of the success of the conference last July. He laments this inevitable failure. I am not sure why he laments it. There were times during his speech this morning when he seemed to lament it because the federal government was going to abandon certain shared programs, or withdraw from them, and at other times he seemed to lament it because we were becoming too centralized and were the historic, old Liberal party of centralism. His speech this morning, interesting as it was, was a little confused with regard to the reason for his lamentations, but they were there.

I do not think any member of this house, whatever he may say in the house, feels that this conference is doomed to failure. It would be a sorry day indeed for our country if it were doomed to failure. It is not doomed to failure; it is going to be successful.

**Some hon. Members:** Hear, hear.

**Mr. Pearson:** The agenda for the conference has been distributed and all members of parliament have no doubt had a chance to read it. Just one glance at the agenda shows how vitally important it is that this conference should be successful. We are going to talk about the state of the Canadian economy, employment measures and unemployment, economic and industrial policies, conditional grants and shared cost programs, including hospital insurance costs and operation, and categorical assistance programs. We are going to talk about fiscal relations, a national agricultural marketing board, the administration of Indian and Eskimo affairs, a Canada pension plan, medical services, provincial lotteries, and continuing federal-provincial liaison arrangements. Therefore it is of the

most vital importance to the future of our country that this conference should not be doomed to failure but should be successful. We on this side will do everything that we can, subject to our responsibility as a federal government, to ensure that it is successful.

The hon. gentleman who spoke this morning was particularly critical of the record of the government, certain statements that had been made, in connection with shared programs and what he was pleased to interpret as a kind of arbitrary and unilateral withdrawal of the federal government, by announcements made inside and outside the house, from these programs and, presumably, by this kind of withdrawal weakening the authority and the responsibility of the federal government in these important fields. He did not quote from it, but he referred to a speech made by the President of the Privy Council (Mr. Lamontagne) on this matter, from which he drew some very gloomy conclusions. Perhaps, Mr. Speaker, I had better read what the President of the Privy Council said. I will read from the text of his speech and would ask my hon. friend whether he disagrees with this. If he does disagree with it, perhaps he will indicate to the house that he does, because he certainly gave the impression this morning that he disagreed with this policy. It will be very interesting to get the record straight on this matter because he spoke, no doubt, for his party on this and other matters this morning. I quote from the text of the speech made by the President of the Privy Council to the Canadian club in Toronto on November 4, 1963:

> In the political field, our federalism needs a new orientation. The federal government should be prepared to withdraw from existing and well established joint programs in areas which have been assigned to the provinces and to compensate financially those provincial governments which are willing to assume these additional responsibilities.

I emphasize those words, "which are willing to assume these additional responsibilities". I ask the hon. member now whether he is not in accord with the policy which makes it possible for the provincial governments, if they so desire, to withdraw from certain existing and well established joint programs in areas which have been assigned to them, for which withdrawal they would be compensated financially by the federal government so they should be able to discharge these new responsibilities. I ask the hon. gentleman whether he objects to that; and if he does object to it, presumably this is to be the policy of his party in opposition on the matter of shared programs.

**Mr. Graffiey:** Mr. Speaker, the right hon. gentleman said last week there were certain conditions under which the federal government would withdraw from the joint programs. Are those the certain conditions?

**Mr. Pearson:** Indeed, Mr. Speaker, there is one very important condition, and that is that the provincial governments should wish the federal government to withdraw from certain programs and take on these responsibilities themselves. That is a very important condition and it is on that condition that we have put forward this policy in regard to shared programs, which the hon. gentleman opposite, speaking for his party this morning presumably, repudiates. Let us understand a little better what he repudiates, I go on to read what the President of the Privy Council said:

> I am certain that such a general approach to the problems of Canadian unity is completely unacceptable to the extremists on both sides. I am quite sure that it would be supported by most French Canadians as a much better alternative to separatism.

Then he went on to say:

> The movement for greater economic emancipation has already begun in Quebec. A federal-provincial conference will be held in Ottawa at the end of this month. I hope that this will be only the first of a series of meetings designed to reconsider and redefine our federal structure of government. A royal commission on bilingualism and biculturalism has been set up and is now getting prepared to hold what I call a referendum on these vital matters. In the meantime, the preparations for the centennial of the Canadian confederation are under way. But we will not have much to celebrate if we fail in those attempts to rebuild our unity. We began in 1864 to develop the compromise which was accepted in 1867. It will not be too early to get to work together in 1964, if we want to celebrate a new alliance in 1967.

I do not take exception, no matter what my hon. friend may say, to that new concept of co-operative federalism expressed in those words. Just to show that this is not a new policy put forward since this party once again took on the responsibility of office, I would point out that this policy in respect to shared programs was first put forward in our rally of 1961. It was a formal part of our election campaign program of 1962 and was put forward as such before the general election of 1962. I want to read these words just to show that this policy is not new. This is under the heading, "We will assure flexibility in joint programs", and it goes on to explain what we mean by that.

> If some provinces wish, they should be able to withdraw, without financial loss, from joint programs which involve regular expenditures by the federal government and which are well established. In such cases, Ottawa will compensate provinces for the federal share of the cost, by lowering its own direct taxes and increasing equalization payments.

*Lack of Consultation with Provinces*

Again, I ask the hon. gentleman who spoke this morning for his party whether he takes exception to that statement of policy on these matters.

We will be considering these matters at a provincial conference at a time in our history when there is a great deal of unrest in regard to the working out of confederation and at a time when, as the hon. member for Lapointe (Mr. Gregoire) said a few moments ago, there are French speaking Canadians who feel that in the working out of confederation they have not been fairly treated. We have to take that feeling into account. As a result of this feeling, which I think has been stronger during the last year or so than perhaps ever before in our history in peacetime, it is all the more important that this conference which meets in two weeks should be successful in dealing not only with the specific matters on the agenda or in setting up machinery which can subsequently deal with them; but also in developing a new spirit of co-operation between the provinces and the federal government so that all the provinces and all the people of Canada will feel that confederation is working to their advantage and to the national advantage.

In this difficult period through which we are going, on the one hand we have the extremists and, on the other we have the voice of moderation which was heard in this house today. We have on the one hand, the extreme of separatism against co-operation. We have defeatism against faith in the future of our country. We have prejudice, against understanding and we have bigotry against reason as we face these problems of confederation and national destiny. I think it is high time, as I have said outside the house and as other members have said outside, that the voice of reason, moderation and understanding should be heard and strongly heard, as it was here in this house the other night when the hon. member for Three Rivers (Mr. Balcer) spoke. It should be heard both in English and in French. It should be a voice for a country which is greater than its parts, a country which will rise above these agitations and these discords which would reduce our country to the level of separate and competing groups.

I know hon. members of this house will reject, as I reject, any such dismal and disunited destiny for Canada. At the same time I realize, as hon. members realize, that in a federal state with a relatively few people spread across half a continent, a state which would be difficult to govern even if it were a unitary state, there are bound to be today as there have been in the past, pressures pulling us apart which must be counteracted by stronger pressures to keep us together. Surely, the House of Commons can give a lead to the country in this regard. I think therefore, Mr. Speaker, there should be positive action emanating from this house, certainly from the government, which will achieve that purpose of keeping us together. We all have to admit frankly and honestly that when we talk about these matters while we are thinking not only of Quebec we do think primarily of Quebec, because it is Quebec and the French speaking Canadians who seem to have a sense of incompleteness, almost of grievance in the way confederation has worked out for them.

There is the problem of federalism. There is that of national unity. We have heard about them as linked and in some way complicated by the problem of the relations between English speaking and French speaking Canadians. Because the federal parliament and the federal government have an English speaking majority, although there are 11 French speaking members of the present government, they are inevitably regarded by some people in Quebec as somewhat remote from and perhaps at times almost even hostile to the aspirations of the French speaking people in Quebec. The hon. member for Burnaby-Coquitlam (Mr. Douglas) uttered what I thought were some very wise words this afternoon when he said that our efforts to discharge our responsibilities as a federal government are often interpreted as a threat of some kind to the special position, the special rights or privileges of Quebec as a province inside confederation.

When I listened to the hon. member for Lapointe this afternoon talking about the province of Quebec on the one hand, and the federal government, the federal parliament and the federal authorities on the other, as if these two things had to be separated, I thought to myself that the people of Quebec should also remember they are represented in this House of Commons and in the federal cabinet. While the provincial government in Quebec, of whatever party, will always have a special obligation and a special desire to protect the people of the province of Quebec, as any provincial government would have, let us not forget that that same desire to protect and advance the interests of the people of Quebec is shown by the Quebec members of this house and the Quebec members of the cabinet. Therefore, Mr. Speaker, I reject this idea that there must be some inevitable conflict between Ottawa and Quebec.

**Mr. Gregoire:** May I ask the right hon. gentleman a question?

**Mr. Pearson:** Yes.

**Mr. Gregoire:** First, I should like to say that I never mentioned a conflict between the two governments. Would the Prime Minister admit that when each level of government has its own responsibilities and the means to take care of its own responsibilities, then the areas of conflict between both governments will be eliminated and there will be chance for complete understanding between both governments?

**Mr. Pearson:** I am sorry if I misinterpreted what the hon. gentleman said. I did not mean to do so. Of course, I agree with him that the greater the clarification of responsibility—and that has been going on ever since 1867, sometimes successfully and sometimes unsuccessfully of the division of taxes, resources and other things—the more clarification that can be brought into these matters, the less likelihood there will be of trouble between the federal and provincial levels of government. I entirely agree with him on that.

Surely, Mr. Speaker, it is possible to believe sincerely and completely in a full and equal French speaking and English speaking partnership, as I think all members of this house do believe, without denying to the federal government enough authority and adequate resources to discharge the responsibilities imposed on it by the constitution, which are essential for the people of the nation and also for the well-being of the people in the provinces, as my hon. friend from Burnaby-Coquitlam pointed out this afternoon. I believe not only that the rights and privileges of the provinces inside confederation are a basic essential for co-operative federalism; I also believe that the federal government must have enough authority to do the job entrusted to it by the people of Canada. Surely these two things can and must be reconciled.

As far as I am concerned, adapting and perhaps misquoting the words used by the hon. member for Burnaby-Coquitlam, who in turn was referring to the immortal words of a very great man, I do not feel that I was chosen to preside over the liquidation of the Canadian confederation. Because I believe in the Canadian nation inside that confederation, a nation strong and a nation united, just as I believe in full and accepted French speaking and English speaking partnership as the only possible foundation for strength and unity. To accuse any federal government of any party, as has been done, of being dangerously centralist merely because it seeks the legislative and financial resources to discharge its Canadian responsibilities is as wrong as it is to accuse a provincial government of being separatist because it seeks adequate revenues, an adequate revenue base, in order to discharge its own provincial responsibilities. Federal and provincial responsibilities need not, and should not, conflict in these matters, although it is very easy for that kind of conflict to develop unless there is good will, and understanding on both sides. It is also easy for conflict to develop through the action of extremists on either side, which action produces an extreme reaction on the other side. That is developing in our country today and it is our real danger. These two things must be reconciled, especially—I do not apologize for saying "especially"—in the province of Quebec, which is in so many ways not a province like the others. These things must and can be reconciled; but this reconciliation will not be easy to bring about. It has never been easy to bring about in any federal state, and it will not be easy in Canada either, where we have some very special difficulties facing us in this regard, not only in our relations between the races inside Canada, but also because of the relations between our own country and our neighbour, and indeed our relations inside the Atlantic community.

There is one special situation which arises here—I do not like to call it a problem, although it may be a problem; but it is also an opportunity—when we talk, as we do, about the two founding races. And I think we have a right to talk about the two founding races, because we must remember that there is not, and there is not ever likely to be, a Canadian race. This is especially true if we remember that not only did pioneers from England combine their efforts with pioneers from France to build up this country, but that today almost one quarter of our population is made up of Canadians whose origins are neither French nor English.

**Mr. Pigeon:** More.

**Mr. Pearson:** Someone says it is more than one quarter.

**Mr. Pigeon:** One third.

**Mr. Pearson:** Perhaps it is almost one third if you include the Irish. We sometimes call this one quarter or one third, perhaps inaccurately and rather loosely, "new Canadians". But they are new Canadians who have adopted one or the other of the two official languages in this country without giving up their own culture, their own customs and their own traditions which themselves are making an invaluable new contribution to the development of a new country. One of these people is reported to have said the other day before the royal commission on biculturalism and bilingualism that he was worried about the use of the term "biculturalism", as if it divided all Canadians into two cultural

groups, either French speaking or English speaking. This gentleman said there could be no second class citizens in this country, that you could not lump all these people not originally French speaking or English speaking into a group which was inferior in any way, or which felt inferior in any way, to other Canadians. Of course there can be no second class citizens of any kind in this country, whether through colour, race or creed. The only way in which we can maintain unity in Canada is by recognizing and glorying in our diversity. Canada is a country which must also be based on recognition and respect of equal rights.

Also very much in our minds as we approach the federal-provincial conference is the fact that there is a constitutional and financial duality to our federalism which must be understood. I have already touched on this. For instance, if the federal government at the request of the provinces, a request they have been making for a good many years—and in any federal system the provincial level of government or the state level of government is bound to make this kind of request—turns over more and more of the shared fields of taxation, or indeed all of them, to the provinces—or perhaps I should be more accurate and say to the provincial governments—then the federal government must either find the money which it has to have from some other source—and ultimately the Canadian taxpayer wherever he lives and in whatever province he may live is the single source—or it must ask the provinces to take over full responsibility for expenditure now undertaken, in whole or in part by the federal government. That, in a nutshell, is the fiscal problem. Again it is a problem of reconciliation between the federal and provincial levels of government. It is not going to be easy for any government in Ottawa to raise more money—and I am looking at the Minister of Finance (Mr. Gordon)—for its own increasing needs—and they are increasing—resulting in turn from the increasing demands made upon it by the people of Canada, the peoples of the provinces. It will be difficult to get the additional revenue required to meet these increases and often perfectly justifiable demands, and at the same time make larger money grants to the provinces, however justifiable the request for such grants may seem to the provinces. The federal treasury has exactly the same limitation as provincial treasuries. They are not self-renewing and each can only be replenished from the same source. There are those who argue that the transfer of both new funds and new responsibilities to the provinces would be the simplest and best course. I expect the hon. member for Lapointe would be among them.

[Mr. Pearson.]

But those who argue in this way sometimes ignore the character of our Canadian federalism. Their argument was met by the hon. member for Burnaby-Coquitlam. There is a great disparity between riches, resources and, indeed, needs, in one province as opposed to another. As we all know, this disparity, which now exists and which is one of the facts of the present situation, has resulted in the concept of the equalization of economic opportunity and social benefits between Canadians in the various provinces as an obligation of the central government. That is now accepted, and it has been for some years—the obligation upon the central government to equalize opportunities and benefits by making the financial resources available in a calculated way to the provinces. We are committed to that on this side of the house as, I understand, all parties are now committed. To keep confederation strong, and to make national unity based on it stable, will require this recognition of the necessity of equalization, just as it requires continuous effort and willingness to adjust our basic constitutional structure to changing conditions.

It is obvious that the founders of confederation and those who drew up the British North America Act could not foresee the conditions which were to exist a century later. They were even uncertain as to political developments in their own time, and this uncertainty led a good many of them to prefer a unitary to a federal Canadian state. Fortunately the federal concept, with all the problems it involves and all the difficulties it created, prevailed. But federalism, if it is to be strong, must be flexible in the sense that it must adapt itself to change. We should not be afraid about that. This means constant re-examination and, when necessary, reshaping the constitutional act and the constitutional structure.

Today of course we all agree as to the necessity for such a re-examination and reshaping. As I have said more than once, and others have said this outside the House of Commons, while it may be a time for the re-examination and reshaping of the constitutional structure it is not a time for tearing down the building on the pretext of repairing and strengthening it. That would be as tragic for our future hopes as it is unnecessary for the solution of our present problems. All I have been trying to say means that there must be a close, continuous and co-operative association between the federal government and the provincial governments.

In the light of the amendment, as it has been moved, I am willing to admit that co-operation should be closer, perhaps, than it has been in the past. I agree, also, that there must be some permanent machinery set up to make this co-operation and this consultation more

effective in the future than it has been in the past. I cannot refrain from adding, when I say this, that consultation is a two way street in any federal system. While it is important that the federal government should consult the provinces on all matters which lie within their jurisdiction—and indeed it must do so; I believe, also, that the provinces should be consulted, too, on all matters in which they have a great and immediate interest. The federal government should, equally, be consulted by those provincial governments which give effect to far reaching social and economic plans which have a national significance. That is what I mean when I say consultation is a two way street. However, we must provide some continuing machinery for consultation and this is one of the items on the agenda of the conference.

The hon. member for Qu'Appelle referred to this question this morning and indicated that we had turned down a suggestion to this effect put forward by, as he described him, his young friend from Brome-Missisquoi (Mr. Grafftey). But this proposal is not new. It has been put forward on several occasions in the past, but for one reason or another it was never carried into effect. If I may be forgiven for introducing a personal note, I can remember, back in the 'thirties when I was secretary to provincial conferences, asking some of the political leaders of that day why such a system could not be introduced. One of them was Mr. Bennett and the other was Mr. King. I made the same inquiry once of Mr. St. Laurent. The objection at that time, as it was given to me—I think it was valid in its day though its validity has, I think, diminished—was that if provincial representatives were permanently established in Ottawa to start continuous consultative machinery it would amount, almost, to diplomatic representation. The presence in Ottawa of such representatives would tend to accentuate the differences between the provinces and the federal government and, possibly, create a feeling of separation, increasing rather than lessening the differences between the two.

As I say, I think that argument has less validity at the present time than it might have had in those days, and I believe there is a great deal to be said for a provincial secretariat. I think the idea of such a secretariat as a liaison measure between conferences is not a new one. Nova Scotia suggested such an agency 25 years ago in its brief to the Rowell-Sirois commission. The idea was reviewed, later, by the Tremblay commission and in July, 1960, the premier of Quebec asked for a continuing secretariat in his brief to the federal-provincial conference of that year. I hope we shall be able to make progress with this idea at the forthcoming conference.

**Mr. Diefenbaker:** Would the right hon. gentleman permit a question? He mentioned a conversation he had with Mr. Bennett. Does he recall what year that was, because my understanding is that Mr. Bennett was in favour of such a liaison and that he came to this conclusion in 1935 shortly before he was defeated. I should like to know when Mr. Bennett made that statement.

**Mr. Pearson:** I am not trying to hold Mr. Bennett down to a definite statement of policy as prime minister, but I remember asking him about this when we were going over on shipboard to the jubilee imperial conference in London. That would be in 1933 or 1934—one of those years.

Anyway, there will have to be changes made, and one of those changes will have to be the development of some kind of machinery for continuing consultation between conferences. Another will be the holding of conferences more often, perhaps periodically, between the provincial and the federal governments.

Meanwhile, as consideration is being given to changes which may be required in our federal relationship, financial, constitutional, and economic, the federal government has to perform its task now, and within the limits of its jurisdiction now; and it has to do what is necessary for the security, welfare and prosperity of all Canadian citizens who, after all, are the same people whether under provincial or federal authority. In the discharge of this responsibility I repeat there must be no suggestion of federal policy being imposed on any province by Ottawa in matters which are in any way within provincial jurisdiction. The federal intention is to co-operate with the provinces in truly national policies which respect provincial rights, while protecting and advancing the interest and welfare of all the Canadian people. This, I submit, is the only way the problem of federalism and of English speaking and French speaking relations as an aspect of federalism can be solved. It is our most important domestic, political problem and it affects our very survival as a nation.

I do not underestimate, and I am sure no hon. member of the house could possibly underestimate, the difficulties in finding the right solution, but I do not wish either to exaggerate those difficulties. Nor as we face those difficulties should we allow our sense of proportion to be distorted by the noise from extremists on one side or the other. One hundred years ago the fathers of our country had no illusions about the task they were undertaking, but it did not daunt them and it did not defeat them. Here is an excerpt from one of the speeches in the confederation debates of 1865.

*Lack of Consultation with Provinces*

**An hon. Member:** Were you there?

**Mr. Pearson:** No, I was not there but sometimes I feel as if I might have been there.

**Mr. Pigeon:** The President of the Privy Council was probably there.

**Mr. Pearson:** I quote:

> We are endeavouring to adjust harmoniously greater difficulties than have plunged other countries into all the horrors of civil war. We are striving to settle forever issues hardly less momentous than those that have rent the United States of America and are now exposing it to all the horrors of civil war. Have we not then great cause of thankfulness that we have found a better way for the solution of our troubles than that which has entailed in other countries such deplorable results?

The building of a strong united confederation, Mr. Speaker, on the foundation of the two basic races of Canada is still the better way. That is still the great Canadian challenge as it was in 1865, and I am sure that as our forefathers met this challenge in 1865 the people of Canada will be able to meet it in 1963.

We have had an amendment, Mr. Speaker, and we have had a subamendment moved by the hon. member for Burnaby-Coquitlam (Mr. Douglas). The subamendment deletes the words of the amendment and replaces them with the following:

> That this house urges the government to carry out more fully the spirit of co-operative federalism and to consult with the provinces before announcing or undertaking programs which fall to any extent within provincial jurisdiction.

I have been talking now for quite a long time about what we can and should do as a government and as a parliament to carry out more fully the spirit of co-operative federalism and to consult more closely with the provinces on matters which fall within their jurisdiction. So the subamendment moved by the hon. member is clearly not a vote of want of confidence but an affirmation of a principle acceptable to the government.

I assume, Mr. Speaker, that when the hon. member who moved the subamendment talked about "programs which fall to any extent within provincial jurisdiction" he meant that if there is a program inside a joint field that is not a provincial field, and he was referring to exclusive provincial jurisdiction. We interpret the subamendment in that sense and I understand that is the interpretation which he himself gives to it. Therefore, Mr. Speaker, we have no difficulty whatever and, indeed, we are very happy to support the subamendment. If the subamendment should be carried I shall then ask one of my colleagues, under standing order 56 (4)(e) to move that the Speaker do now leave the chair.

[Mr. Pearson.]

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I had not intended to speak—

**Mr. Gregoire:** May I ask the Prime Minister one question?

**Mr. Deputy Speaker:** Order. There is some difficulty here. The hon. member for Lapointe has risen for the purpose of asking a question of the Prime Minister.

**Mr. Gregoire:** Would the Prime Minister make some comments on this subject with regard to the requirement from the province of Quebec of 25 per cent of income tax and 25 per cent of corporation taxes?

**Mr. Pearson:** I could but I do not think I should take any time away from the Leader of the Opposition.

**Mr. Gregoire:** That is the most important problem.

**Mr. Diefenbaker:** Mr. Speaker, the House of Commons is a place where things happen that are unexpected. We had that experience in 1958 in the month of January when, as a result of the activities of the present Secretary of State (Mr. Pickersgill)—he received the honour of having suggested it—an amendment was moved by the then opposition that the government of that day should resign and make way for the opposition.

**An hon. Member:** It obviously should have.

**Mr. Chevrier:** It was premature by just a few years.

**Mr. Diefenbaker:** Mr. Speaker, that amendment received its answer a very few weeks thereafter. I followed the Prime Minister today with the greatest of interest in an address that was obviously prepared for the dominion-provincial conference but was utilized today to meet the debate. It is very obvious that an address such as that could not have been prepared as a result of the amendment moved by the hon. member for Qu'Appelle (Mr. Hamilton).

We moved an amendment to the motion to go into supply. We moved:

> That all the words after "that" be struck out and the following substituted therefor:
>
> "that this house condemns the government for its failure to carry out the spirit of co-operative federalism and for its neglect to consult with the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction".

Mark what has happened. The hon. member for Burnaby-Coquitlam has moved that the amendment be amended by deleting certain words. With the deletion of those words, Mr. Speaker, the motion to go into supply is struck out. I point out that the motion is that the house go into committee of supply.

We moved that all the words after "that" be struck out and the following substituted therefor.

The subamendment proposes that our amendment be accepted, except in so far as the changes suggested by the hon. member in moving the subamendment are concerned. That means that if the members of the government support this subamendment they are voting against the motion to go into supply and, as a result, will be voting themselves out of office.

This is one time when they have outsmarted themselves, and I want to go into this in greater detail in the time at my disposal, but I now emphasize the fact that on the one hand there is a motion that the house go into supply, and on the other hand there is accepted a subamendment in which all the words after "that" had been deleted.

I ask you, Mr. Speaker, what is the consequence, and the position in which the members of the government will be, in voting in support of something that will wipe out the motion to go into supply?

**Mr. Pickersgill:** Will the right hon. gentleman permit a question?

**Mr. Diefenbaker:** No, I am talking. Sit down.

**Mr. Pickersgill:** Very willingly.

**Mr. Diefenbaker:** The Secretary of State got into his difficulties in January of 1958, and apparently it is again his suggestion that puts the Prime Minister in the most difficult position that any prime minister has ever been put, in the history of our country.

**Mr. Pickersgill:** Read standing order 56.

**Mr. Diefenbaker:** Now they are trying to get back on the rails after they vote in favour of the subamendment. I certainly appreciate the fact that they realize and recognize the error of their ways; that they realize they should now use more fully the spirit of co-operative federalism; that they consult with the provinces before announcing or undertaking programs which fall to any extent within provincial jurisdiction.

We congratulate them on their conversion. Never since the days of Saul en route to Damascus have we seen a conversion to equal this which has befallen a political party.

This is really one of the most interesting situations that has ever developed. As I endeavoured to say when I rose, I did not intend to participate in this debate. The hon. member for Three Rivers (Mr. Balcer) seconded the amendment this morning and intended to speak , but the turn of events made necessary my placing before the house the situation. I am going to wait with interest these hon. gentlemen opposite voting for the subamendment that strikes out every word after "that," because when every word after "that" is struck out there will be no motion to go into supply, and the result will be inevitable.

I am sure Your Honour will be taking advisement, for this indeed represents the greatest somersault in smartness that has ever been placed before the House of Commons on a motion. It has all the earmarks of having been fathered by the Secretary of State, but the paternity of the speech on the part of the Prime Minister today will be the subject of consideration for years. I am sure that never before has a leader of government in this country decided, on behalf of those associated with him, to accept a subamendment that in reality condemns the government for its failure, while deleting the words of condemnation. A motion of non-confidence requires no such words as "condemn," or "for its failure," or "neglect." It can be worded as generally as is this subamendment, and I see a fine predicament for the government in the hours ahead.

**Mr. Pickersgill:** Read the standing orders.

**Mr. Diefenbaker:** Look at it as you will. By this decision they have delivered themselves into the position of the opposition.

Now, sir, concerning the general views expressed by the Prime Minister about maintaining confederation, and as to making our contribution to assure it shall be preserved, that is our purpose and aim. That is the determination of members in all parties in this country.

The Prime Minister used a quotation from 1865. He did not say who it was who made the statement in question, but I seem to recall that those words were the words of Macdonald. Similar words were spoken by Macdonald, and at the time of the civil war in the United States Canada was engaged in nation building. The determination was made that this part of North America should remain under the British crown, and the means to achieve this were the establishment of a federal system.

The American system would not work in Canada. Weaknesses had been found in that system. Wherever matters were not specifically allocated to the central government in Washington, they became matters of legislation within the exclusive jurisdiction of the states.

As a result of the discussions led by Macdonald, and with the co-operation of Cartier, George Brown and others who participated, a plan was arrived at whereby we would assure the maintenance and preservation of the rights of the French, both in their language and in their religion, and would assure to

them, not only for that generation but for all generations, the preservation of these rights. Educational rights also were left exclusively within the jurisdiction of the provinces. That was the plan; that was the objective; and I remember so well hearing in 1945 or 1946, when the then prime minister, Mr. St. Laurent said that those rights could be taken away by a simple vote of parliament. That was not then, is not now, nor ever was the position of the Conservative party. Those rights are unchanged and unchangeable, and must remain so, so long as this nation remains.

I call it six o'clock.

**Mr. Deputy Speaker:** Order. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

**Mr. Diefenbaker:** Mr. Speaker, just before the recess I was dealing with the unusual situation created by the Prime Minister's announcement that the government was going to support the subamendment moved by the leader of the New Democratic party. I would point out immediately that the leader of that party did not say that his subamendment was not one of non-confidence.

**Mr. Pickersgill:** Oh, yes, he did.

**Mr. Diefenbaker:** Now we have the strange and unusual position of the Prime Minister rising and stating that he pleads guilty on behalf of the government to the failure of the government to exercise that degree of consultation that it ought to have exercised, but having pleaded guilty to the fact that there has not been enough consultation he then, as a defensive measure, contends that the government will do better from now on if it is given another chance.

That is a most unusual attitude. To find a somewhat similar situation one almost has to go back to 1958, when the Secretary of State was given the credit of having been the father of the amendment that was produced at that time. I would like to have dealt with the particulars of that amendment but the time limitation prevents it. The question before us is that of consultation and the need of carrying out the spirit of co-operative federalism; that the government should consult the provinces before announcing or undertaking programs which fall wholly or partly within provincial jurisdiction.

The Prime Minister advances a new variety of consultation. What he says in effect is that the government will decide what is to be done, will put it into legislative form and will then start to implement the legislation it has brought in, without consultation. If, however, the provinces object, then the legislative program will stop and consultation will take place. If the experience of the past few months is to be any criterion for the future, we know that changes will be made in accordance with the strength of the pressure exerted by the various provinces. In other words the new type of consultation suggested by the Prime Minister will bring about in this country disorder, disunity and disagreement that would only weaken confederation. It is indeed a policy of confusion, creating a climate in which confederation will be torn asunder. We have only to consider the experience we have had in connection with the Canada pension plan, which was brought in here with trumpets blaring and is now being withdrawn, held in suspension, because the provinces asserted that they had the right to be consulted. This is not consultation within the concept of confederation. Consultation should take place before the program is proceeded with.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** Consultation after the event and after the federal government's decision can only bring about uncertainty, division and disunity. It will assure that a division exists between the federal government and the provinces that is the negation of the concept of confederation. The Prime Minister talks about abandoning joint programs. While he speaks of that, the President of the Privy Council (Mr. Lamontagne) makes a speech outside the house. At the very time this is going on the government has plunged into areas of provincial jurisdiction under the municipal loans program. Then there is the question of the designated areas. First the government designates areas and, having designated them, when there is objection to them there is to be consultation thereafter.

The proposition advanced by the Prime Minister today is one that can only undermine confederation. He expressed himself as though he were Horatius at the bridge, standing as the guardian of the constitution and against the possible disintegration of confederation. Yet in the last few months, as a result of the failure of this government to carry out the principles of consultation as they ought to be carried out, more and more uncertainty has developed and there is more cleavage as between province and province, people and people and area and area than ever before in this country.

I need only read a quotation from the Montreal *Star* of November 7 in this connection to illustrate my point. I need quote only one small portion of it:

> Left on the shelf.
>
> Mr. Pearson must have the taste of ashes in his mouth. Also he must be cursing the bush-league flack who foisted that "Sixty days of decision" catch-phrase on him. He has had to announce the postponement until a new session, early next year of several pieces of major legislation promised in the speech from the throne last May.

Then it says this:

> The explanation that the portable pension plan is being shelved because it would be "inappropriate" to go ahead with it before the federal-provincial conference later this month falls some way short of conviction. Why has the "inappropriateness" only now been discovered? Or is the government having second thoughts about the pension machinery—as it had earlier about its budget?

What has happened in consequence of this haphazard, uncertain procedure on the part of the federal government is that now when any legislation is introduced without consultation pressure groups in the various parts of the country, provincial pressure groups, commence to operate. The result is that whatever legislation is brought in is not in keeping with the demands of the people but rather because of the necessity of placating the provinces because of the failure of the federal government to do that which is essential to confederation, namely to co-operate and at the same time to discuss, consider and view it from the point of view of both provincial and federal governments when matters come within the jurisdiction of both.

Now, sir, an example of that is the royal commission set up on biculturalism. I wish I could discuss that this evening. I hope it succeeds. I would point out the warning I gave on February 4 last in this house when I said that if it were set up it would not solve anything. What do we find? We asked for a dominion-provincial conference on the question of amending the constitution and bringing the constitution back to Canada for the settling of disputes between the provinces and the dominion, as well as providing for those symbols of our unity that must be established if full nationhood is to be achieved.

They set up a royal commission. It is just like the cave of Adullam. Many of those who are appearing before the royal commission are separatists who have ideas that are not in keeping with our constitutional development. The result is we are going to have a hodge-podge of representations which have little relationship to the need of Canada. When the commission completes its work in one, two or three years from now, there will be no finality. Then a dominion-provincial conference will have to be called and the whole matter gone over again.



*Lack of Consultation with Provinces*

Before I conclude sir, I want to refer to the subamendment. So far as the subamendment is concerned, we take objection to it because it alters our amendment. We believe that our own amendment quite adequately describes the actions of the government. We do not want our amendment amended in any way. Therefore, in so far as the subamendment is concerned we shall vote against it since it does interfere with the amendment we have moved.

However, if the subamendment should pass, and there is every possibility of that, Mr. Speaker, with the support the Prime Minister (Mr. Pearson) has given—

**Mr. Pickersgill:** May I ask a question?

**Some hon. Members:** Sit down.

**Mr. Pickersgill:** Howled down again.

**Mr. Monteith:** Look at the clock.

**Mr. Diefenbaker:** Mr. Speaker, the hon. member speaks of being howled down, but he is trying to prevent me from explaining, in the minute I have, the vote we are about to cast. This is an old game on the part of the hon. gentleman. If the subamendment should pass, we will view it, as we have said, as a vote of non-confidence, in that it clearly suggests that the government has not done enough in the field of federal-provincial relations. Whether or not the government pleads guilty to the charge, the full charge or only half the charge, they still will be pleading guilty by voting for the subamendment. Therefore, though the strong wording of our amendment may be watered down by the subamendment, we will then support the amendment as amended. We will vote for the main amendment, whether it is in its original form or in its amended form. I say to hon. gentlemen opposite, in that move today they were playing games. These games were not in keeping with parliamentary procedure. I hope that this evening the house will speak on the question of non-confidence, early and definitely.

**Mr. Speaker:** Order; it being 8.15 o'clock p.m. it is my duty, pursuant to a special order made on Friday, November 1, 1963, to interrupt these proceedings and put forthwith the question on any amendment or amendment to the amendment now before the house.

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

YEAS

Messrs:

| | |
|---|---|
| Addison | Asselin (Richmond-Wolfe) |
| Armstrong | |

*Division*

Badanai
Batten
Beaule
Beer
Belanger
Benidickson
Benson
Berger
Blouin
Boulanger
Boutin
Byrne
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Caron
Carter
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Denis
Deschatelets
Dionne
Douglas
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Fisher
Forest
Forgie
Foy
Frenette
Garland
Gauthier
Gelber
Gendron
Girouard
Gray
Greene
Gregoire
Groos
Guay
Habel
Haidasz
Harley
Hays
Hellyer
Herridge
Honey
Howard
Howe (Hamilton South)
Jewett, Miss
Kelly
Klein
Knowles
Lachance
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Langlois
Latulippe
Laverdiere
Leduc
Lessard (St. Henry)
Loiselle
Macaluso
Macdonald
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McWilliam
Marcoux
Martin (Essex East)
Martin (Timmins)
Mather
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
Olson
Orlikow
Otto
Ouellet
Pearson
Pennell
Pepin
Perron
Peters
Pickersgill
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sharp
Tardif
Thompson
Tremblay
Tucker
Turner
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Webster
Whelan—128.

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cadieu (Meadow Lake)
Coates
Cooper
Danforth
Diefenbaker
Doucett
Fane
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Grafftey
Gundlock
Hales
Hamilton
Harkness
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kindt
Korchinski
Loney
Macquarrie
McCutcheon
Millar
Monteith
More
Muir (Lisgar)
Nasserden
Nesbitt
Noble
Nugent
Ormiston
Pascoe
Pigeon
Rapp
Rheaume
Ricard
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler
Woolliams—60.

**Mr. Speaker:** I declare the amendment to the amendment carried.

**Mr. Skoreyko:** Mr. Speaker, I was paired with the hon. member for St. John's West (Mr. Cashin). Had I voted I would have voted against the subamendment.

**Mr. Gordon:** Mr. Speaker, I was paired. Had I voted I would have voted for the subamendment.

**Mr. Davis:** Mr. Speaker, I was paired. Had I voted I would have voted for the subamendment.

**Mr. Rynard:** Mr. Speaker, I was paired with the hon. member for Brantford (Mr. Brown). Had I voted I would have voted against the subamendment.

[*Translation*]

**Mr. Paul:** Mr. Speaker, I was paired with the Associate Minister of National Defence (Mr. Cardin). Had I voted, I would have voted against the subamendment.

[*Text*]

**Mr. Speaker:** The question is on the amendment as amended to the main motion.

The house divided on the amendment (Mr. Hamilton) as amended which was agreed to on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Armstrong
Asselin (Richmond-Wolfe)
Badanai
Balcer
Baldwin
Batten
Beaule
Beer
Belanger
Bell
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Boutin
Byrne
Cadieu (Meadow Lake)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Caron
Carter
Chapdelaine
Chevrier
Choquette
Chretien
Coates
Cooper

Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Danforth
Denis
Deschatelets
Diefenbaker
Dionne
Doucett
Douglas
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Forest
Forgie
Foy
Frenette
Garland
Gauthier
Gelber
Gendron
Grafftey
Gray
Greene
Gregoire
Groos
Guay
Gundlock
Habel
Haidasz
Hales
Hamilton
Harkness
Harley
Hays
Hellyer
Herridge
Honey
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jorgenson
Kelly
Kindt
Klein
Knowles
Korchinski
Lachance
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Langlois
Latulippe
Laverdiere
Leduc
Lessard (St. Henry)
Loiselle
Loney
Macaluso
Macdonald
MacNaught
Macquarrie
McCutcheon
McIlraith
McLean (Charlotte)
McMillan
McWilliam
Marcoux
Martin (Essex East)
Martin (Timmins)
Mather
Matte
Millar
Mitchell
Monteith
More
Moreau
Morison
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Noble
Nugent
Olson
Orlikow
Ormiston
Otto
Ouellet
Pascoe
Pearson
Pennell
Pepin
Perron
Peters
Pickersgill
Pigeon
Rapp
Regan
Rheaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sharp
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Tardif
Thomas
Thompson
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Webster
Weichel
Whelan
Willoughby
Winkler
Woolliams—187.

*Division*

NAYS

Nil

**Mr. Speaker:** I declare the amendment as amended carried.

**Some hon. Members:** Resign.

**Mr. Ricard:** Mr. Speaker—

**Mr. Speaker:** The Secretary of State.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, pursuant to section 4(e) of standing order 56 I move, seconded by Mr. Gordon, that Mr. Speaker do now leave the chair.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** On a point of order—

**Mr. Ricard:** Mr. Speaker—

**Mr. Speaker:** Order, please. I had recognized the house leader, the Secretary of State.

**Mr. Diefenbaker:** This is all very well, but we have a right to rise on a point of order, and have a right to challenge your ruling.

**Mr. Skoreyko:** Mr. Speaker, I was paired, and had no opportunity—

**Mr. Aiken:** Mr. Speaker, I have a motion that the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) be now heard.

**Mr. Chevrier:** There is a motion before the house now.

**Mr. Speaker:** When the Speaker is faced with two motions he must, it seems to me, accept the first one. I had recognized the Secretary of State.

**Mr. Woolliams:** That is nonsense.

**Mr. Speaker:** And the motion is: pursuant to section 4(e) of standing order 56; Mr. Pickersgill moves, seconded by Mr. Gordon, that Mr. Speaker do now leave the chair.

**Mr. Douglas:** I rise to register a grievance—

**Mr. Speaker:** The hon. member for Burnaby-Coquitlam.

**Mr. Douglas:** My grievance, Mr. Speaker, is the appalling rise—

**Mr. Aiken:** On a point of order, there is no grievance at this time. We are speaking on a substantive motion by the Secretary of State.

**Mr. Speaker:** The motion before the house is that the Speaker do now leave the chair in virtue of standing order 56 (4) (e). Is there a point of order against that?

**Mr. Aiken:** My point of order is that we are now speaking on a further substantive motion moved by the Secretary of State, and it is not

a grievance period at all. We are now speaking on the motion as it was heard this morning, and it is strictly within the rules. My proposal, Mr. Speaker, is that the official opposition ought to be the first party to be heard in speaking in reply to the substantive motion that the Secretary of State has moved. That is the reason I have moved that the hon. member for St. Hyacinthe-Bagot be now heard.

**Mr. Pickersgill:** On the point of order raised by the hon. member for Parry Sound-Muskoka (Mr. Aiken), if I apprehend him correctly he is not taking any exception whatever to the motion I have made. He is simply asserting, or seeking to assert the right of a member of the official opposition to mention the first grievance, rather than a member of any other group.

**Some hon. Members:** No, no.

**Mr. Pickersgill:** I am speaking on the point of order, which I did not clearly understand. If the hon. gentleman is seeking to call into question the motion I made, I would draw Your Honour's attention to the standing order which seems to have escaped the attention of distinguished members of the house earlier today, and that particular standing order, No. 56(4)(e) reads:

> When a motion "That Mr. Speaker do now leave the chair" is superseded by the adoption of an amendment at any time before the expiry of either the said two days or the time carried forward from a former debate, as the case may be, a like motion may be forthwith made by a minister of the crown. In the event of any such motion being proposed, the proceedings thereon shall be deemed to be an extension of the debate concluded by the adoption of the said amendment; provided that the second motion shall not be subject to amendment if it is proposed after the time specified in section (4) (d) of this standing order.

That is to say, the time of the taking of the vote. So I contend that under the standing orders which I recited in making my motion, my motion is completely in order. I could cite in support of that contention very distinguished authorities who sat in this house, a former leader of the opposition—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** —followed by the present Leader of the Opposition (Mr. Diefenbaker), who in 1951 moved an amendment to a motion made by the Hon. Alphonse Fournier that the house go into committee of supply. Mr. Drew moved a motion in amendment thereto.

**Mr. Diefenbaker:** What was Mr. Drew's amendment?

[Mr. Aiken.]

**Mr. Pickersgill:** Mr. Drew's amendment was that the house was of the opinion that appropriate steps should be taken—he struck out the usual words.

**Mr. Diefenbaker:** Just read it, not striking out anything.

**Mr. Pickersgill:** Mr. Speaker, the right hon. gentleman, who sets himself up as a model of courtesy in this house, would not allow me on two occasions this afternoon to ask him simple questions, and I would prefer this evening not to be interrupted by the right hon. gentleman.

**Some hon. Members:** Hear, hear.

**Mr. Pickersgill:** I shall, however, read the whole motion:

> That all the words after "that" to the end of the question be deleted and the following substituted therefor:
>
> "This house is of the opinion that appropriate steps should be taken for the appointment of a select committee to consider with Mr. Speaker the procedure of this house for the purpose of making recommendations designed to assure the more expeditious dispatch of public business and to suggest any changes that may be desirable."

Mr. St. Laurent, who had a very large majority supporting him at that time, as the right hon. gentleman will recall, accepted that motion made by Mr. Drew which superseded the motion that the house go into committee of supply. It was accepted by the house. Immediately Mr. Alphonse Fournier moved the motion that I have just moved, and it was also accepted by the house.

Then in 1952 another distinguished associate of the right hon. gentleman, Mr. Donald Fleming—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** —also moved a motion deleting the motion that the Speaker leave the chair, which motion was seconded by Mr. Fulton. Mr. Fleming moved this amendment to the motion:

> That all the words after "That" to the end of the question be deleted and the following substituted therefor:
>
> "in view of the impending departure of the Prime Minister for Washington this house desires to record its opinion that further vigorous efforts should be made by the government to bring about the removal of the restrictions imposed by the United States on the importation of Canadian agricultural products, in violation of the general agreement on tariffs and trade.

That motion was also accepted by Mr. St. Laurent and was adopted by the house. In the same procedure as I have followed on this occasion, Mr. Fournier moved that the house resolve itself into committee of supply, which motion was accepted by the Chair, uncontested by any point of order, and adopted in due course. There are a great many other

precedents going back to 1898 which could be cited, but it seems to me I should not take up the time of the house in citing them.

There is also, of course, the authority of Bourinot, who is the leading Canadian authority on parliamentary procedure, at page 424, which says:

> An amendment moved to the motion to go into committee of supply (or ways and means) does not necessarily involve want of confidence in the administration. When such an amendment simply affirms—

As I maintain is the case here, and as my right hon. friend the Prime Minister maintained earlier today:

> —a general principle, or sets forth a public grievance, and does not directly or impliedly challenge the conduct or policy of the government, it is not, in a parliamentary sense, a motion of want of confidence, and consequently cases often occur of the government agreeing to the passage of such motions.

That is precisely what happened in 1951, what happened in 1952 and what happened today.

**Mr. Diefenbaker:** It is not what happened today.

**Mr. Pickersgill:** The right hon. gentleman was substituting one word for another and straining the normal meaning of words in reading into the motion of the hon. member for Burnaby-Coquitlam things that were not there. What the hon. member did was to urge the government to carry out more fully, thereby admitting that it was carrying out a certain policy—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** The hon. member said, to carry out more fully the spirit of co-operative federalism, and the whole tenor of the hon. gentleman's admirable speech today was precisely in that sense.

**Mr. Grafftey:** Shame.

**Mr. Pickersgill:** The hon. member's motion was to carry out more fully the spirit of co-operative federalism and to consult with the provinces before announcing or undertaking programs, and so on. My right hon. friend the Prime Minister, in an exchange with the hon. gentleman, established beyond peradventure the meaning of these words, and there was no doubt whatever that all the hon. gentleman was asking the government to do was to go on doing things that the government was doing, that the government intended to do and which we would have been quite hypocritical in pretending we were opposed to doing. Therefore we have acted in this matter according to the precedents, according to the standing order and according to the rules of the house.

**An hon. Member:** And according to the deal.

**Mr. Diefenbaker:** Mr. Speaker, methinks he doth protest too much. As a matter of fact there is no case since 1890, and we have read them all, in which such an amendment was not considered as a vote of non-confidence.

**Mr. Pickersgill:** I just cited two.

**Mr. Diefenbaker:** The particular amendments were amendments in no way of non-confidence. This subamendment was one of non-confidence, and this is simply a subterfuge explanation to get around the difficult position in which the government now finds itself, as can be seen by the reddened faces that characterize each and every member of the government.

**Some hon. Members:** Hear, hear.

**Some hon. Members:** Resign.

**Mr. Speaker:** I can say with feeling that the situation is an interesting one but it seems to me it is not as difficult as some hon. members might make out. I hope I am right in this. The Secretary of State moved that pursuant to standing order 56 (4) (e)—which motion was seconded by Mr. Gordon—Mr. Speaker do now leave the chair. The Secretary of State did that by virtue of standing order 56 (4) (e). The motion is non-debatable in so far as that is concerned. So that in my opinion we now have a grievance period.

Then two hon. members rose. I recognized the hon. member for Burnaby-Coquitlam (Mr. Douglas). Then the hon. member for Parry Sound-Muskoka (Mr. Aiken), rising on a point of order, moved that the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) be now heard. The hon. member did this by virtue of standing order 29. It is his right to do this, because standing order 29 says:

> When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

It seems to me that we are now in the grievance period and that the dispute is between the hon. member for St. Hyacinthe-Bagot and the hon. member for Burnaby-Coquitlam. I now have this motion before me and it is up to the house to decide whom it shall hear.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, on a matter of clarifying the procedure, do I understand that while the Secretary of State (Mr. Pickersgill) and the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) were both on their feet and I moved my motion, Your Honour had then recognized the Secretary of State and his motion?

*Point of Order*

**Mr. Speaker:** I recognized the Secretary of State first, and as a matter of fact I was at least three quarters of the way through reading his motion when I saw that the hon. member for Parry Sound-Muskoka (Mr. Aiken) was also on his feet.

**Mr. Ricard:** Mr. Speaker, on a question of privilege, earlier—

**Mr. Caron:** There is no debate on the question.

**Mr. Speaker:** The question, surely, is which of the two hon. members shall now speak. There is a motion before the house moved by the hon. member for Parry Sound-Muskoka and seconded by the hon. member for Grey-Bruce (Mr. Winkler) that the hon. member for St. Hyacinthe-Bagot be now heard. This motion is by virtue of standing order 29.

**An hon. Member:** And is not debatable.

**Mr. Speaker:** All I can do in the circumstances is ask the house to decide which hon. member shall now be heard.

**Mr. Aiken:** Mr. Speaker, my motion was directed towards the earlier dispute between the Secretary of State (Mr. Pickersgill) and the hon. member for St. Hyacinthe-Bagot (Mr. Ricard). If Your Honour has ruled that you did hear the hon. Secretary of State, then, with the unanimous consent of the house, I herewith withdraw my motion.

**Mr. Speaker:** I have so ruled, and I think correctly. Do I understand the hon. member is withdrawing his motion as to priority on behalf of the hon. member for St. Hyacinthe-Bagot?

**Mr. Aiken:** Yes.

**Mr. Speaker:** Then, in that case, there is only the hon. member for Burnaby-Coquitlam (Mr. Douglas) left.

**Mr. Ricard:** Earlier today, Mr. Speaker, you were informed that I was to take the grievance period tonight. I was given to understand that I would be the first one to speak here, and by being deprived of my right to speak tonight, I want to place before the house the fact that this is another kind of closure about which the country should know.

**Mr. Knowles:** I regret having to speak on this question of privilege, but I should like to clear up a point. I indicated to Your Honour a week ago tonight that the hon. member for Burnaby-Coquitlam would be speaking at this point tonight since there was no opportunity for him to speak at that time. I gave notice on behalf of the hon. member, not this afternoon but seven days ago and I confirmed it today.



**Mr. Diefenbaker:** No one wants to hold up proceedings, but I should like to know to whom the notice was given and by whom it was given.

**Mr. Knowles:** I gave it to Mr. Speaker, myself.

**Some hon. Members:** Oh, oh.

**Mr. Douglas:** Mr. Speaker—

**Mr. Speaker:** Order; I believe a short explanation is in order. It is quite true the hon. member for St. Hyacinthe-Bagot spoke to me some time today. I said at the time that, so far, no one else had mentioned the matter to me. Subsequently, the hon. member for Winnipeg North Centre approached and said, "You recall I spoke to you on behalf of the hon. member for Burnaby-Coquitlam some time ago." Two or three weeks ago, I mentioned that it was very difficult to give reservations on the right to speak, and that reservations should not be given. I immediately communicated with the whip for the official opposition, and suggested that the two parties get together to try to regulate the matter. At six o'clock I did the same thing. When there is a dispute such as this it seems to me the way to solve it is by the use of standing order 29.

**Mr. Gregoire:** May I make a suggestion on that point, Mr. Speaker? On the previous occasions the Conservatives had the opportunity of rising first on these grievances. Two weeks ago, an hon. member for the New Democratic party had an opportunity to raise a grievance. Since the Social Credit members from this group have had no opportunity at all, I suggest that perhaps one of the members from this group should raise a grievance.

**Mr. Winkler:** Speaking to the point of order, Mr. Speaker, may I say that it seems to me it might be wise to have a member of the Conservative party recognized this evening, because it seems to be the only legitimate opposition that is left in the house.

**Some hon. Members:** Hear, hear.

**Mr. Douglas:** I endeavoured to raise this question of grievance—

**Mr. Skoreyko:** I rise on a question of privilege, Mr. Speaker. I was paired with the hon. member for St. John's West (Mr. Cashin) because I understand there is serious illness in his family. I only want to inform the house this is the reason I am on my feet now, and had I voted I would have voted for the amendment.

**Mr. Rynard:** Mr. Speaker, I was paired with the hon. member for Brantford (Mr. Brown). Had I voted, I would have voted for the amendment.

SUGAR—ALLEGED FAILURE OF GOVERNMENT TO CONTROL PRICE INCREASE

**Mr. T. C. Douglas (Burnaby-Coquitlam):** At long last, Mr. Speaker, I am to have the opportunity of registering a grievance.

**Mr. Ricard:** At my expense.

**Mr. Douglas:** I hoped to do so a week ago tonight, but the other grievance that was raised took all the time until ten o'clock. The grievance I wish to raise is the appalling increase in the price of sugar, and the fact that the government has taken no effective action to deal with the situation. There are indications that fantastic profits have been made out of the increase in the price of sugar, and so far the government has done nothing except to take refuge in their lack of constitutional authority.

The facts in connection with the price of sugar are known to every housewife in Canada. In the past 12 months the price of sugar to the consumer has doubled. There have been more than 90 changes in sugar prices in the past year. At the moment the price of sugar in Canada is at its highest peak since 1920, an all-time record for 43 years. This increased price of sugar has reached into the pocketbook of every housewife in Canada. It not only affects the sugar which the consumer buys for use in his own home, but it enters into the cost of processed foods, of fruit preserving, jams, jellies, soft drinks and a great many commodities. In every case, the burden of this increase in price falls on only one person: It falls upon the Canadian housewife.

We have endeavoured to raise this matter repeatedly ever since parliament reassembled. My friend, the hon. member for New Westminster (Mr. Mather), raised this almost as soon as the house met on September 30. A week ago last Friday my colleague, the hon. member for Burnaby-Richmond (Mr. Prittie) sought to adjourn the house to discuss a matter of urgent public importance, namely the rising price of sugar. Frequently on orders of the day we have raised this question. The only answer we have been able to get from the government is that the rising cost of sugar in Canada is due to the rise in world prices.

I think we ought to take a look at this argument. We should recognize, first of all, that the figures given to us by the Minister of Trade and Commerce (Mr. Sharp) this spring indicated there was no sugar shortage in Canada. If I recall correctly, he said that there were over 400 million pounds of sugar in Canada, which was slightly higher than the stockpile of sugar in Canada in April of the previous year. I am told that there is no shortage of sugar in Canada today, and that the stockpiles in Canada now are as high or higher than they were 12 months ago. The world price, therefore, had nothing to do with the sugar stockpiled in Canada and which had already been purchased.

If the sugar companies made, in addition to their regular profits, another five cents a pound—I think that is a very low estimate—it means that they pilfered another $20 million out of the purses of the housewives of Canada. A very fat profit has been made by somebody out of this very rapid increase in the price of sugar. The other fact which has to be kept in mind is that about 20 per cent of the sugar we consume in Canada is made from sugar beets produced in Canada, and certainly that part of the sugar supply is not affected by the world price.

Therefore, what do we find? We find that the sugar companies in Canada have been able to increase the price of beet sugar and have treated the price of beet sugar as though it were the price of imported sugar. The people buying sugar on the prairies close to the refineries in Winnipeg and Lethbridge have thus found that their sugar prices have gone up, even though that sugar is produced on the prairies. It is rather interesting to see that in the Chicago market beet sugar has been selling for $9.50 to $11.25, whereas beet sugar in Canada has been selling for $17.50 a hundred. One of the things which has disturbed a great many Canadians is that, while prices in Canada have risen to astronomical heights the price of sugar in the United States does not seem to have been affected by the rapid rise in the world price. For instance, in the northeastern states of the United States sugar is now selling for $13.45 to $13.55 a hundred pounds. At the same time a hundred pounds of cane sugar in the city of Montreal costs $18.65, in the city of Vancouver $16.60, and in the city of Toronto $18.55. It is very difficult, Mr. Speaker, to explain to the Canadian housewife in the city of Toronto why she should pay 97 cents today for a five-pound bag of sugar when United States newspapers carry advertisements, some of which I have here, advertising cane sugar for 49 cents for a five-pound bag. It is 97 cents in the city of Toronto; 49 cents for the same bag of sugar in the United States. This means that the Canadian housewife is paying almost twice as much as the housewife in the United States.

I think there are indications, Mr. Speaker, that there has been a great deal of profiteering by the sugar companies of Canada. I think they have taken advantage of the decline in the world sugar supply. I think they have made fabulous profits out of the large stocks of

sugar that were in Canada long before the world price rose. The fact is that there is no sugar shortage in the world. It is true that the world surplus has been reduced but there is no shortage of sugar A statement has been issued by Mr. Arthur E. Beeby, executive vice president of Salada Foods Limited, and part of his statement is as follows:

> The recent series of increases in sugar prices cannot be explained on the basis of supply and demand. There is no world sugar shortage. At the start of this year, there was a large surplus. At the end of this year, there will still be a surplus although a reduced one....
>
> Reliable estimates for this year indicate that a 12-million ton carryover at the beginning of the 1962-63 season will be cut to 9 to 9.5 million tons by year-end. This certainly does not suggest a sugar glut but neither does it represent shortage....
>
> Cane or beets for sugar are grown in more than seventy countries. It is obvious that orderly marketing of the resulting multi-million ton annual crops in the form of raw sugar calls for the buying and selling facilities of recognized commodity exchanges including future markets. The volume of future trading has been skyrocketing. On the London market, the 1963 volume was recently reported as $11.4 million. For the same period of last year, it was less than one quarter of this total, suggesting that the explanation of price pyrotechnics in sugar is to be found in this market performance.
>
> As a major Canadian buyer of refined sugar, we are forced to the conclusion that the rising costs of this staple food item on world markets do not result from demand but from speculation.

I think, Mr. Speaker, those facts speak for themselves. We started the year with a surplus in the world of some 12 million tons of sugar. We shall probably finish this year with anywhere from between 9 and 9½ million tons of sugar in the world. The surplus has been reduced but there is no shortage of sugar. The increase in the price of sugar has been due to speculation, due in part to a rumour that the U.S.S.R. might import large quantities of sugar this year. This has given rise to speculation in the sugar market. But the tragedy is that the Canadian housewife has been the victim of this speculation. She has had no protection whatsoever from this government. The best the Minister of Justice (Mr. Chevrier) was able to do was to tell the house that someone in the restrictive trade practices branch had telephoned Mr. Beeby and that Mr. Beeby was not claiming that there was any price fixing or anything improper going on.

**Mr. Chevrier:** He denied a portion of the statement you have just made.

**Mr. Douglas:** Well, he cannot deny this statement because it is a printed statement sent out by Salada Foods Limited. I am not quoting from a newspaper report.

**Mr. Chevrier:** That is exactly what he denied.

[Mr. Douglas.]

**Mr. Douglas:** I am quoting from the printed statement which was sent out by Mr. Beeby's own company to thousands of people across Canada. I imagine that every member of parliament got a copy of this, as I did.

**Mr. Chevrier:** May I ask the hon. gentleman a question. Was he in the house the other day when I put on *Hansard* the statement which was given by Mr. Beeby in connection with what the hon. gentleman has just read?

**Mr. Douglas:** I certainly was.

**Mr. Chevrier:** He stated quite clearly that in his opinion his statement did not disclose any breach of the Combines Investigation Act.

**Mr. Douglas:** Exactly. I was in the house when the minister made the statement and I was amazed that the minister made it. I was amazed at the minister having his officials telephone a man, a private citizen, to ask him to establish whether or not the Combines Investigation Act had been violated. That is the responsibility of the minister and his officials, not the responsibility of private citizens. That is exactly what this government has done. It has sat on the Combines Investigation Act and said to the Canadian people: "If you can prove there is something wrong we will do something about it". I am saying that it is the responsibility of this government to find out whether there is something wrong, and it is for them to do something about it.

What can the government do? The minister has made us one promise only. The restrictive trade practices branch will, he said, keep the matter under careful scrutiny and will take action under the combines investigation legislation if there is evidence of price fixing and collusion. Well, we expected it to do that. But I would point out, first of all, that this is too slow a process to do anything about the exploitation of the Canadian housewife. The investigation by his department and any legal action which might follow would take months, and probably years.

Even if the branch were successful in getting a conviction, this would not punish the sugar companies. Every hon. member knows the record of the sugar companies. The restrictive trade practices branch and the Department of Justice brought three of the largest sugar companies of Canada into court—the Atlantic Sugar Refineries Company, now called the Acadia-Atlantic Sugar Refineries Limited, the Canada and Dominion Sugar Company Limited and the St. Lawrence Sugar Refineries Limited. These three companies were brought into court and last January they pleaded guilty to a charge of making an illegal profit on 80,000 tons of sugar. In March they were fined $25,000 each or a total of $75,000. So there was a total fine of $75,000 on 80,000 tons of sugar which amounts to a

fine of less than $1 a ton—a fine of less than one twentieth of a cent a pound. I say to you now, Mr. Speaker, and to the house, that these companies did not pay a fine; they paid a licence to commit piracy on the housewives of Canada. Do not let the minister tell us that the combines investigation legislation is going to protect the housewife.

There are things which the government could have done. First, there is the matter of price control. The Minister of Justice says this is a provincial matter. I want the government to tell this house whether it has ever consulted the representatives of the provinces in order to find out whether the provinces would be prepared to agree to emergency legislation for price controls on sugar. Has the government ever asked the provinces whether they are prepared to delegate to the federal government authority to legislate in this field on a temporary basis or an emergency basis? After all, the provinces are also much concerned about the price of sugar. They each have authority to legislate concerning the price of sugar. The federal government has to give some leadership. What leadership have they given? Have they ever called the provinces together and said to them: You must be concerned, as we are, about the rising price of sugar. Are you prepared to delegate authority to us, or to act in concert so as to pass uniform legislation to control this situation?

There is another thing which the government could do. It could do what other countries are doing and go into the bulk purchasing of sugar. If necessary, after consulting with the provinces, the government could declare sugar refineries and sugar distribution facilities to be works for the general advantage of Canada. It could set up a sugar control board. It could sign the commonwealth sugar agreement under which countries in the commonwealth buy sugar in quantities under agreements extending over a period of time. This is why the people of Great Britain are getting cheaper sugar. This is why the American housewife is getting cheaper sugar. Here in Canada we are selling wheat under long term agreements. One of the reasons we are able to do so is because other countries buy our wheat knowing they can do so at an agreed price. There is nothing to prevent our buying sugar at an agreed price. At the present time many members of the commonwealth have signed the sugar agreement and are buying large quantities of sugar at agreed prices spread over a period of years. This would protect us from speculation in world sugar markets.

Has the government made any move to take action along these lines or to investigate the possibilities of such action? I say to the government: It is not too late now to look into the possibility of the bulk purchase of sugar and the setting up of a sugar control board. I say to the government: please do not take refuge again behind the lack of constitutional authority, because I am sure there is not a provincial government in Canada which would not co-operate with the present federal administration if it were prepared to do something immediately about stopping this profiteering in sugar. The provinces are just as concerned as we should be, because it is their citizens who are being exploited. They, too, are hearing the complaints of Canadian housewives. All they need is someone to give them a lead to attack this problem. Action in this matter has been delayed too long and I accuse the government of dilatoriness, of negligence and of dereliction of duty in failing to tackle it. I say the time has come when the government should cease sitting on its dignity and begin stepping on those who have been profiteering at the expense of the people of Canada.

I say to the government: the time has come to stop wringing your hands and to start ringing the changes on those who have been pilfering from the pockets of the Canadian people. I say to the government: If you continue to do nothing, the people of Canada will recognize that you lack the courage to face up to a critical situation. I say that if you do something, and do it promptly, you will earn the gratitude of the housewives of Canada.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I should like to make some comments on the speech which has been made by the hon. member for Burnaby-Coquitlam (Mr. Douglas). I should like to deal at the outset with three questions he has raised, perhaps to set some of the facts straight, and then I should like to say a word about government policy.

First of all, why have sugar prices risen? Second, why are sugar prices in eastern Canada higher than they are in western Canada? Third, why are they higher in Canada than they are in the United States or in Britain? The answer to the first question is relatively simple. There has been a profound change in the world sugar market in the last couple of years. I might refer to the Cuban situation in this regard. In 1961, Cuba had an export surplus of more than 6 million tons. Last year it had declined to 5 million tons. This year, as a result of hurricane Flora, it is down to 3 million tons. Throughout eastern Europe sugar beet harvests have been very low indeed. These are the facts about the change in the world sugar situation.

The hon. member quoted some statistics in which he suggested there were great stocks

of sugar available in the world to meet this temporary shortage. Perhaps the best answer to that is to quote from a press release issued the other day after the sixteenth session of the international sugar council:

> The council considered this estimate against the first forecast of supplies available for world destinations in 1964 and concluded that taking the year as a whole it would appear that requirements would again be considerably in excess of supplies. Thus the council envisaged a continuance in 1964 of the present tight supply-demand situation.

There are no large stocks of sugar in the world. If there were, we should not be faced with the situation which arises today.

**Mr. Langlois:** Would the minister permit a question?

**Mr. Sharp:** I should like to finish this before ten o'clock if I may be permitted to do so because there are one or two things I should like to say at the end about the policy of the government which I think hon. gentlemen would like to hear.

**Mr. Langlois:** I think the minister will still have time to finish.

**Mr. Chevrier:** There are others who may wish to speak in the debate. Go ahead.

**Mr. Sharp:** World sugar prices have recorded these fundamental changes and they have been very fundamental. On the London market, which is recognized as a world market, raw sugar prices were the equivalent of around 3 cents a pound about a year ago. As a matter of fact, for some years sugar prices have been drifting along at about the 3 cent level, as I have reason to know because I participated in some of the efforts to stabilize the world sugar market to prevent its collapse. This was a time when there were monumental supplies of sugar overhanging the world market, but these have tended to disappear recently.

Last May, when we had the first upward thrust in prices and the first decline in supplies, prices reached a peak of between 12 and 13 cents in London and then declined. As hon. members will recall, there was a very sharp reversal of the sugar market and prices came down, until in August they had dropped to between 5 and 6 cents. Then, after hurricane Flora they soared again to the peaks of last May where they are today.

I think hon. members will see that the proportionate rise in world prices of sugar is parallel to that of sugar prices in Canada. Indeed, the hon. gentleman quoted some sugar prices in Canada. I happened to be doing some shopping for my wife last Saturday and I made a special visit to the sugar counter in the chain store. There I noticed the changes that had been taking place. A ten pound bag of sugar was over $2 and I can recall a year ago when it was down around 80 cents.

There can be no question about the rise or about the fact these prices are very closely paralleled in world markets. In fact, Mr. Speaker, in Canada the price of sugar is directly related to the world sugar price as reflected in the London market, and we in this case buy raw cane sugar on the basis of the London price.

I should like now to come to the second question. Why should the price in eastern Canada be higher than the price in western Canada? According to my information there is a differential of something like $2 a hundredweight between Montreal and Vancouver. The reason for the differential is this. On the west coast the only refiner of cane sugar, B.C. Sugar Refining Company, bought the sugar it is now using some months ago when the price was lower, and it is now selling this at cost plus what it considers a reasonable profit. In other words, consumers in western Canada are getting the advantage of the lower prices that existed for sugar on the London market some time ago when B.C. Sugar Refining Company bought their sugar from Australia and Fiji. Eastern Canada refiners, on the other hand—

**Mr. Douglas:** May I ask the minister where he gets his cheap price? In Winnipeg sugar is selling for $17.50 a hundred pounds which is $1 less than the price at Toronto and Montreal.

**Mr. Sharp:** The price varies across the country, depending upon the basic point. I should also like to say a word about the reason why beet sugar prices are the same as cane sugar prices. I think hon. gentlemen would not really want to see price controls applied only to producers in Canada. I think that would be unfair. I do think that sugar is sugar and it sells in competition, cane with beet, almost on an equal basis. Usually there is a small discount for the beet, but it is the same product. I do not think hon. gentlemen would suggest that our producers in Canada should be subjected to a lower price than would apply to cane sugar, or beet sugar produced abroad and imported into this country.

In eastern Canada the refiners buy on the basis of the going London world price. They do not price the sugar until it moves into the refinery, and then they buy it on the basis of the London price at that time. They changed their practice some years ago in order to avoid speculation. They said: We are not going to speculate on our inventories; we are going to take it into the refineries at the equivalent of the London price.

This means, of course, that recently we have had eastern Canada prices following the London market up, and in western Canada the sugar that had been purchased earlier has not been following the London price because it was priced at the time it was purchased. Since the prices on the London market have been rising rapidly we have had this differential. As a matter of fact, dealing with the question of competition, some western sugar is moving into eastern Canada. People are buying it out there and moving it into eastern Canada because of the differential in price. So one cannot say there is no competition in the Canadian market. One has only to talk to the refiners, who are quite concerned at the moment about the fact that western sugar is moving east.

I think hon. members will know how closely dependent Canadian sugar prices are on world sugar markets like London. On the other hand, the greater part of world trade in sugar, as my hon. friend has said, is carried on under special arrangements between the producing and the importing countries. Great Britain and the United States, the two largest importers of sugar, maintain a policy of managed markets with respect to both domestic production and imports. An important feature of the British control is exercised through the commonwealth sugar agreement under which the British government negotiates a guaranteed price for a predetermined quantity of sugar imported from commonwealth suppliers. Over the years this negotiated price has remained relatively level and, except for very short periods, has been substantially in excess of the price for sugar available on the free market. We are now in an exceptional period when the situation has reversed itself and the commonwealth sugar agreement has meant that the United Kingdom for the time being is able to get its sugar more cheaply than we are, while ordinarily the situation is the opposite. This arises out of the fact that they have had this long term guarantee arrangement.

In the United States the production, importation and marketing of sugar have been subject to comprehensive governmental control since 1934. This system for managing the sugar market has over the years had the result that United States domestic prices have generally been very much higher than the free world market prices that we enjoy. Indeed, so attractive were these prices that many sugar producers in the world were very restive about the fact that the United States allocated its import market to Cuba, because this was a very valuable concession. This year the United States has issued import quotas for more than they will need, and because the Cuban quota has been removed or withdrawn the competing supplying countries are very anxious to build up a record of performance in supplying the United States so that when the United States again imposes import controls they will get a good share of the market. The result has been that these suppliers have been pushing supplies into the United States and have depressed the United States market. This is the reason why in the United States today prices of sugar are lower than they are in Canada.

As I say, here in Canada our policy has been traditionally geared to an open market. Subject only to the tariff, Canadian refiners and distributors have been free to purchase their requirements at the lowest price available on world markets, and it seems to me that over the years this policy has served the interests of Canadian consumers fairly well by making available in Canada adequate supplies at prices which reflected competitive conditions in world markets. These prices have generally been lower than they have been in the United States or in the United Kingdom. By the same token, of course, in this unusual period of shortage our prices have risen higher than theirs because theirs have been stabilized by their domestic policies.

In order to complete this explanation I should add, of course, that the United States does not permit any export of sugar, so that we are not able to go into the United States and buy cheaper sugar. Otherwise the price would be the same in both countries. They have sealed off their market.

The government has been considering alternative courses for dealing with the present situation. First let me say a word about the prospective supply situation. No shortage of any kind is in sight. No difficulty has been experienced in obtaining supply to meet Canadian requirements. Stocks of raw and refined sugar, as recorded by the dominion bureau of statistics, are 10 per cent or more higher than a year ago and this, of course, is the time of year when stocks of raws and refined are normally at their peak to carry us over until the reopening of navigation. The refineries have advised my officials that stocks are adequate for all foreseeable requirements. For domestic production, acreage devoted to sugar beets was up substantially this year, and I expect it will be up substantially again in 1964 because of the stimulus of high prices.

Hence the problem for Canada relates to prices rather than supplies. We have weighed the advisability of removing or reducing import duties on sugar. Generally speaking, imports of raw sugar are subject to a duty of $1.28 per cwt. under the most favoured nation

rate, and to a British preferential tariff of 28 cents per cwt. The preference of $1 per cwt. is a contractual obligation to the British West Indies and other commonwealth countries.

Commonwealth exporters attach a very high value to their preferential position in our sugar market, and from our point of view it is the means by which we are assured adequate supplies to meet our requirements at all times. It would be open to us to suspend the British preferential rate of 28 cents, but that would simply amount to a reduction of a quarter to one third of a cent a pound, and would be comparatively meaningless in the present situation.

Another alternative is to pay a subsidy to consumers of sugar. We have looked at this proposition, and if we were to pay a subsidy of 5 cents a pound this would cost about $85 million annually. It will be evident that expenditures of this order must be appraised in relation to other pressing demands on the government and in terms of a realistic order of priorities and objectives. In other words, these two proposals, to remove the duty or to pay a subsidy, do not change the price of sugar to Canadians as a whole. They simply redistribute its costs.

The hon. gentleman spoke about price controls, and he knows, as well as I do, that we have no constitutional authority to impose price control. May I suggest to him in connection with his own suggestion, and to repeat again what I said, that I do not think I would be in favour of placing a price control upon sugar produced from beets in Canada alone. It seems to me if price controls were to be effective they would have to be effective on over-all prices, and this would be beyond our control. And if we put a price control on sugar in Canada, if we placed the price of sugar below world market prices we would not get supplies. I do not think this would be a feasible alternative, either, in connection with purchases of bulk sugar from abroad.

The government has been looking into the possibilities of a change in sugar policy of a more fundamental character. This is a problem of great complexity and is fraught with many uncertainties. It is clear from the experience of Britain and the United States that managed markets with respect to both imports and domestic production of sugar can lead to expensive commitments involving higher prices to consumers, and may in any event be inconsistent with our long term economic interests and our international trading relations.

Nevertheless, recent experience during this period of scarcity has not been satisfactory, particularly when we see sugar from Canada's traditional suppliers being offered more cheaply to United States buyers than to Canadian buyers. I am sure hon. gentlemen will agree with me that, when we see sugar from commonwealth sources being pushed into the United States in order to establish a record for future import quotas, it is a little difficult for Canadians, who do not happen to have that sort of system to pay higher prices in consequence. The government is examining with an open mind the possibility of a change of policy.

The British and Canadian markets have constituted for many years the main outlets for commonwealth producers. A few years ago, in order to assist expansion of commonwealth production, Britain, through the commonwealth sugar agreement extended a guaranteed annual market at annually negotiated prices to the commonwealth producers. At the same time, in an article of the agreement, the commonwealth producers recorded their intent to give priority to the requirements of Canada through ordinary commercial channels, as I have described.

The commonwealth producers traditionally take advantage of the Canadian tariff preference margin in their sales to Canada by conceding about 15 cents out of the preferential dollar, taking the other 85 cents themselves, the 15 cents being for the purpose of ensuring that they get the business rather than some non-commonwealth suppliers. This margin of preference is sufficient to give them command over our market.

Commonwealth producers have begun to interest themselves in obtaining a significant share of the United States market, now that this market is open to all comers. For this purpose, commonwealth production is being expanded beyond consumption within the commonwealth preference area, and there are also new sources within the commonwealth, for example India, and these changing conditions may have an important bearing on a future Canadian policy on sugar.

As I indicated in my remarks to the house last May, the international sugar agreement does not provide the sort of protection to consumers I would like to see, and the government would like to see, and we are very much interested in examining a more effective form of agreement. We are also prepared to explore the future of Canada's relationship to commonwealth producers. We have been aware that similar thoughts have been in the minds of the commonwealth sugar exporters, from informal contacts made with them, and today we have received the following cablegram from the chairman of the commonwealth sugar exporters group:

Commonwealth sugar exporters now meeting in London are anxiously considering supply of commonwealth sugar to Canada and would welcome opportunity of discussing the practicability of offering annual quantities of commonwealth sugar to Canada for several years ahead at stable prices. We can assure you of adequate commonwealth supplies at all times to meet your requirements. Grateful you cable whether your government would welcome such broad proposals before the end of this year. Respects and regards.

We received another from Salisbury in Rhodesia:

Rhodesia sugar sales would welcome early opportunity of discussing with you possibility of long term agreement for supplying sugar to Canada with view to helping stabilize your internal price.

I intend to advise both the commonwealth exporters group and the Rhodesian producers that the Canadian government would be interested to consider with them any proposals they may wish to lay before us. So, in summing up, may I say there is no shortage of sugar in Canada. Stocks are higher than normal, imports are normal, and domestic production is rising. Prices in Canada have followed world market prices because they have been closely related to world market prices.

The government, however, is not satisfied the present arrangements give adequate protection for Canadian consumers, and will be discussing with commonwealth producers the possibility of long term contracts.

**Mr. Douglas:** If the government were to accept the offer which is indicated by the cablegrams the minister read, to purchase quantities of sugar at agreed prices over a period of years, what machinery would the government set up to make sure that the savings made thereby would be passed on to the consumers?

**Mr. Sharp:** Mr. Speaker, I would hesitate to give a technical answer, but I think it is quite possible to work out arrangements that would give us the necessary protection. I know that refiners would be willing to cooperate, and the beet producers in Canada. Therefore I would not anticipate difficulties in ensuring the benefit of such an arrangement would be passed on to the consumers.

**Mr. Herridge:** Would not the minister admit this is the normal workings of the capitalist system?

**Mr. Langlois:** Mr. Speaker, in accordance with the precedent that you have established this evening, I now give notice that I will have a grievance to raise on the next supply motion.

**Mr. Speaker:** I thought I was very clear in saying that the reservation system which seemed to have been in force is not in force at present and will not be followed.

It being ten o'clock, it is my duty, pursuant to special order passed on Friday, November 1, to put the question. Is it the pleasure of the house to adopt the motion?

**Mr. Monteith:** On division.

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 INDUSTRY

*1d.* Departmental administration, $665,000.

LEGISLATION

*1.* The Speaker of the Senate—Allowance in lieu of residence, $3,000.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

*1.* Department administration—Administration, operation and maintenance including Canada's fee for membership in the pan-American institute of geography and history, $1,290,100.

PRIVY COUNCIL

*1.* Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's Privy Council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

SECRETARY OF STATE

*1.* Departmental administration, $317,600.

Proceedings reported.

## BUSINESS OF THE HOUSE

**Mr. Monteith:** Mr. Speaker, if the Prime Minister has not in the meantime visited the Governor General, I wonder if the house leader might outline the business for the remainder of the week?

**Mr. Pickersgill:** I would be glad to indicate what business we will take for tomorrow, but I should like to have a word with the hon. gentleman, who I take it is acting for the hon. member for Winnipeg South Centre in his absence on public duties, and with other hon. gentlemen opposite before I agree about the rest of the week.

If I could just repeat what was said by my hon. friend, the Solicitor General, about tomorrow, we would take first the third reading of the income tax measure; then, we

would take the vocational training resolution and, if there was time, the resolution setting up a committee on the C.N.R. and the other transport agencies owned by the government. If these matters were concluded, I would arrange with hon. gentlemen about having enough business to keep us going until six o'clock.

It being five minutes aften ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Wednesday, November 13, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MR. ORLIKOW—AVAILABILITY OF REPORT RESPECTING T.C.A. WINNIPEG MAINTENANCE BASE—STATEMENT BY MINISTER

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, yesterday at the opening of the session the hon. member for Winnipeg North (Mr. Orlikow) made a statement, as a question of privilege, concerning a press story in the Winnipeg *Free Press* of November 5, referring to the Dixon-Speas report. I did not hear the earlier part of the hon. gentleman's statement, as I came into the house when his remarks were nearing conclusion.

In the course of his statement he quoted from the Winnipeg *Free Press* of November 5, part of which quotation was as follows:

> Mrs. Konantz had seen the Dixon-Speas report and could understand why it could not be made public. She said it contained information which could not be given to C.P.A., T.C.A.'s main competitor.

Later in the day at the question period questions were asked on the same general subject matter by the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Winnipeg North Centre (Mr. Knowles), and in the course of these questions and answers I said I did not show the report to the hon. member for Winnipeg South.

The facts are that the hon. member for Winnipeg South came to my office, and among other subjects pressed me to do all I could to make sure that the T.C.A. maintenance and overhaul base did not move from Winnipeg, and asked me why I did not table the Dixon-Speas report. The Dixon-Speas report was on a table behind my desk where I had been working on it.

**Mr. Starr:** Kind of handy there.

**Mr. McIlraith:** I explained to her why it could not be released. I pointed to it and indicated that four of the volumes contained almost exclusively material which could not be tabled because of its confidential nature, in that it gave detailed technical information that must remain confidential to the air line and that would be most useful to competitors.

The report was not removed from its place, nor was it opened or examined by Mrs. Konantz.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, on this question of privilege that was raised yesterday, and to which the Minister of Transport has now spoken, may I say there seems to be some question as to what the hon. member for Winnipeg South meant when she said, as reported, that she saw the report.

We note with interest the explanation given by the Minister of Transport. I understand that the hon. member for Winnipeg South will be returning from the United Nations to the House of Commons today or tomorrow, and we are prepared to wait until we hear from her before we consider whether any further steps should be taken.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*WORLD FAIR—ACCESS TO SITE

*Question No. 1,316*—**Mr. Fisher:**

1. In the recent announcements by the Minister of Public Works that arrangements are completed for the construction plans for the access to the World fair site was the reference to (a) the complex consisting of the ice boom; the Point St. Charles-St. Helen's island bridge, the St. Helen's island-Ile Notre Dame bridges and the Ile Notre Dame to Jacques Cartier bridge ramps; or to (b) the provincially sponsored long span, high level bridge from Point St. Charles to St. Helen's island, the connecting bridges from St. Helen's island to Ile Notre Dame, and the tunnel under the seaway from Ile Notre Dame to St. Lambert?
2. If it was to (b) what contribution by the federal government is planned on the latter plans?
3. Has there been a finality in plans for access to the fair site and, if not, what possibilities are still under investigation or unapproved?

**Mr. Badanai:** 1. The minister elaborated in a general manner various projects for the construction of the approaches which will be necessary to provide access to the site of the world exhibition.

2. The Canadian World Exhibition Corporation has suggested the construction of a bridge to connect St. Helen's island to Point Saint Charles and from St. Helen's island to Notre Dame island and the tunnel under the St. Lawrence seaway connecting Notre Dame island to the south shore: cost sharing will be established after the plans and specifications have been completed.

3. The plans regarding the approaches to the site of the world exhibition have not yet been definitely laid down but they soon will be as they constitute the priority works of the exhibition.

*GRAIN BOATS AWAITING LOADING

*Question No. 1,335*—**Mr. Rapp:**

1. How many grain boats were waiting to be loaded with Canadian wheat and flour during the longshoremen's strike in Montreal harbour?
2. Of what registry were these boats, and for whom were they supposed to take on grain and flour?
3. What is the estimated loss of shipping, by bushels, of wheat and flour during the recent strike by the I.L.A. in the ports of Montreal, Three Rivers and Quebec?

**Mr. Cantin:** The national harbours board advise as follows:

1. Sixteen.

2. (a) Registry of vessels—6 Russian, 1 Norwegian, 1 Israeli, 2 Greek, 2 British, 1 Swedish, 1 Liberian, and 2 German; (b) This information is not of record with the board.

3. This information is not of record with the board.

COST OF TELEVISION SERVICE, FLIN FLON AND THE PAS, MAN.

*Question No. 1,423*—**Mr. Simpson:**

1. What is the total capital expenditure by the C.B.C. in relation to T.V. service for Flin Flon, Manitoba, and The Pas, Manitoba?
2. What is the annual operational cost of this service?

**Mr. Pickersgill:** I am informed by the Canadian Broadcasting Corporation as follows:

1. Total capital expenditures to September 30, 1963 for: (i) Flin Flon, Manitoba, $251,431; (ii) The Pas, Manitoba, $116,831.

2. The C.B.C. television station at Flin Flon is coupled with that at The Pas. They were planned as a complex and are operated jointly using television recording. The cost of television recording for a non-connected station is a national program charge, and is not included in the operating cost of these stations. There are no local program originations at either station.

A staff of four people is based at Flin Flon to handle the television recording and to provide maintenance service for both stations. Aside from the salaries of these four employees, operating costs are confined to those for building and technical maintenance, line costs, tube replacements, light, power, etc.

POST OFFICE DEPARTMENT CONTRACTS, CHARLEVOIX CONSTITUENCY

*Question No. 1,426*—**Mr. Belanger:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Charlevoix?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[Mr. Badanai.]

[*Translation*]

**Mr. Denis:** 1. Three—(a) St-Tite-des-Caps R.R. No. 2; (b) Cap-aux-Oies and Canadian National Railway Station; (c) St-Hilarion R.R. No. 1.

2. (a) St-Tite-des-Caps R.R. No. 2; Henri Jean, St-Tite-des-Caps, $1,480.95; Armand Morency, St-Tite-des-Caps, $1,800; Edmond Cunningham, St-Tite-des-Caps, $2,000.

(b) Cap-aux-Oies and Canadian National Railway Station; Rolland Fortin, Cap-aux-Oies, $350; Raoul Perron, Cap-aux-Oies, $550.

(c) St-Hilarion R.R. No. 1; Fernand Gagnon, St-Hilarion, $999; Paul Chouinard, St-Hilarion, $1,150; François Audet, St-Hilarion, $1,175; Gaetan Audet, St-Hilarion, $1,190; Athanase Chouinard, St-Hilarion, $1,198; Normand Chouinard, St-Hilarion, $1,252; Arthur Tremblay, St-Hilarion, $1,350; Toussaint Tremblay, St-Hilarion, $1,495; Jacques Chouinard, St-Hilarion, $1,700; Lucien Tremblay, St-Hilarion, $1,800.

3. See No. 2 above.

4. (a) Henri Jean; (b) Rolland Fortin; (c) Fernand Gagnon.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, SHEFFORD CONSTITUENCY

*Question No. 1,427*—**Mr. Rondeau:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Shefford?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Five: (a) Acton Vale R.R. No. 4; (b) Ste-Cecile-de-Milton R.R. No. 2; (c) Ste-Christine R.R. No. 1; (d) Granby—repainting of mail boxes; (e) Granby—repairing and repainting of mail boxes.

2. (a) Acton Vale R.R. No. 4: Benoit Champagne, R.R. No. 3, Acton Vale, $1,620.00; Omer Mondor, 1572 St-Andre, Acton Vale, $1,868; Rheal Laramee, 1069 Lemay, Acton Vale, $2,000; Andre Martel, Acton Vale (late tender), $1,680.

(b) Ste-Cecile de Milton R.R. No. 2: Normand Menard, Ste-Cecile de Milton, $1,000.

(c) Ste-Christine R.R. No. 1: Edeas Bisaillon, Ste-Christine, $1,200.00; Georges Henri Normandin, R.R. No. 4, Acton Vale, $1,392.00; Gilles Lamothe, R.R. No. 4, Acton Vale, $1,428.00; Wilfrid Viens, Ste-Christine, $1,458.00; Rene Casavant, Ste-Christine, $1,500.00.

(d) Granby—repainting of mail boxes: Emile Phaneuf; $174; Lajeunesse & Frere, $208.85; Roger Martin, $249.85; Bouthillette and Frere, $258.

(e) Granby—repairing and repainting of mail boxes: Granby Welding Supplies Inc., $136.

3. See No. 2 above.

4. (a) Benoit Champagne; (b) Normand Menard; (c) Edeas Bisaillon; (d) Emile Phaneuf; (e) Contract not yet awarded.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, BEAUCE CONSTITUENCY

*Question No. 1,428*—**Mr. Perron:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Beauce?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. None.

2. N/A.
3. N/A.
4. N/A.
5. N/A.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, ROBERVAL CONSTITUENCY

*Question No. 1,429*—**Mr. Gauthier:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Roberval?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Five: (a) Quebec and Mistassini—highway service; (b) Roberval R.R. No. 2; (c) Didyme R.R. No. 1; (d) St-Felicien—repainting of mail boxes; (e) Dolbeau—repainting of mail boxes.

2. (a) Quebec and Mistassini—highway service: Sylvio Giroux, Village de St-Prime, $24,500; Rosaire Goudreault, Albanel, $24,900; Johnny Perron, Box 31, Mistassini, $25,600; Federal Delivery Inc. (Rosaire Blouin), 46 Moreau sud, Quebec, $27,106; Louis Rene Doucet, Normandin, $29,800; Almas Bouchard, Box 128, Normandin, $30,000; Pruneau & Pruneau Enr., Desbiens, $31,200; Raoul Bouchard, Box 134, Mistassini, $32,860; Louis Arthur Girard, Box 32, Notre-Dame d'Hebertville, $33,990; Bernard Ouellet, 87 Turgeon, Notre-Dame d'Hebertville, Alphonse Tremblay, 4 Potvin, Notre-Dame d'Hebertville, $34,964; Jean Neron, Box 23, Alma, $35,368; Isidore Pelletier, Notre-Dame d'Hebertville, $36,945; Edmour Pilote, St-Felicien, $38,250; Rosaire Lamontagne, Roger Lamontagne, Box 961, Dolbeau, $38,980; Marcelin Meroz, 317 Blvd. Sacre-Coeur, St-Felicien, $40,605; Transport Frontenac Ltee (Antoine Chabot), 263 St-Paul, Quebec, $41,226.28; Edmour St-Pierre, Albanel, $60,000.

Tender received which did not meet departmental requirements: Henri Audet, St-Felicien, $25,136.

(b) Roberval R.R. No. 2: Joseph Cinq-Mars, 18 Otis, Box 533, Roberval, $1,200; Richard Meunier, Roberval, $1,400; Adrien Lajoie, Roberval (late tender), $2,400.

(c) Didyme R.R. No. 1: Romeo Desmeules, St-Thomas, $1,400; Gerard Guay, St-Thomas, $1,485; Jean Louis Darveau, St-Thomas, $1,490; Paul Gingras, St-Thomas, $1,500.

(d) St-Felicien—repainting of mail boxes: Andre Boivin, $40; Jean H. Gagnon, $65.

(e) Dolbeau—repainting of mail boxes: Vincent Moreau, $25.

3. See No. 2 above.

4. (a) Sylvio Giroux; (b) Joseph Cinq-Mars; (c) Romeo Desmeules; (d) Andre Boivin; (e) Vincent Moreau.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, QUEBEC EAST CONSTITUENCY

*Question No. 1,430*—**Mr. Beaule:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Quebec East?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Two-(a) Quebec and Mistassini—highway service; (b) Quebec and Jonquiere-Kenogami (No. 2)—highway service; (c) Quebec—repainting of mail boxes; (d) Quebec—repairing and repainting of mail boxes.

*Questions*

2. (a) Quebec and Mistassini—highway service: Sylvio Giroux, Village of St-Prime, $24,500.00; Rosaire Goudreault, Albanel, $24,900.00; Johnny Perron, Box 31, Mistassini, $25,600.00; Federal Delivery Inc. (Rosaire Blouin) 46 Moreau Sud, Quebec, $27,106.00; Louis Rene Doucet, Normandin, $29,800.00; Almas Bouchard, Box 128, Normandin, $30,000.00; Pruneau & Pruneau Enr., Desbiens, $31,200.00; Raoul Bouchard, Box 134, Mistassini, $32,860.00; Louis Arthur Girard, Box 32, Notre Dame d'Hebertville, $33,990.00; Bernard Ouellet, 87 Turgeon, Notre Dame d'Hebertville, Alphonse Tremblay, 4 Potvin, Notre Dame d'Hebertville, $34,964.00; Jean Neron, Box 23, Alma, $35,368.00; Isidore Pelletier, Notre Dame d'Hebertville, $36,945.00; Edmour Pilote, St-Felicien, $38,250.00; Rosaire Lamontagne et Roger Lamontagne, Box 961, Dolbeau, $38,980.00; Marcelin Meroz, 317 Blvd. Sacre-Coeur, St-Felicien, $40,605.00; Transport Frontenac Ltee (Antoine Chabot), 263 St-Paul, Quebec, $41,226.28; Edmour St. Pierre, Albanel, $60,000.00.

Tender received which did not meet departmental requirements: Henri Audet, St-Felicien, $25,136.00.

(b) Quebec and Jonquiere-Kenogami (No. 2)—highway service: Ephrem Dufresne, 234 St. Francois, Jonquiere, $12,950.00; Henri Bouchard, 220 St. Georges Road, Jonquiere, $14,750.00; Francois Nolin, 131-7th St., Limoilou, Quebec 3, $14,789.00; Jean Neron, Box 23, Alma, $14,872.00; Clermont Quirion, 97A Bernatchez, Quebec 8, $15,000.00; Epiphane Simard, 173-8th Ave., Port Alfred, $15,730.47; Pierre Fortin, 209 Pare, Arvida, $16,900.00; Transport Frontenac Ltee (Antoine Chabot), 265 St-Paul, Quebec, $17,921.28; J. Arthur Bonneau, 136 Ste-Famille, Kenogami, $18,200.00; Fernand Houde, 20-3rd Ave., Quebec 3, $20,000.00; Edmond Paradis, 228 Couture, Arvida, $22,070.00; Arthur Harvey, 422 Blvd. Auger, Alma, $26,250.00.

Tenders received which did not meet departmental requirements: Georges Henri Guay, 6 Long Sault Sud, Jonquiere, $19,800.00; Arvida Camion-Taxi Enr. (Laurent Rousseau), 123 Calais, Arvida, $24,000.00.

(c) Quebec—repainting of mail boxes: Marc Gregoire, $533.00; E.M.M. Enr., $558.00; Vital Beriault, $957.60; Rolin Construction Inc., $1,039.50; Menard & Freres, $1,160.00; Revetement Mural Inc., $1,255.00; Jean-Marc Parent, $1,266.00.

(d) Quebec—repairing and repainting of mail boxes: E.M.M. Enr., $1,248.00; Menard & Freres, $1,997.00; Revetement Mural Inc., $2,670.00; Vital Beriault, $3,130.30; Jean-Marc Parent, $3,384.00.

3. See No. 2 above.

[Mr. Denis.]

4. (a) Sylvio Giroux, (b) Ephrem Dufresne, (c) the contract has not yet been awarded, (d) the contract has not yet been awarded.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, QUEBEC WEST CONSTITUENCY

*Question No. 1,431*—**Mr. Plourde:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Quebec West?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Four: (a) Quebec and Mistassini—highway service; (b) Quebec and Jonquiere-Kenogami (No. 2)—highway service; (c) Quebec—repainting of mail boxes; (d) Quebec—repairing and repainting of mail boxes.

2. (a) Quebec and Mistassini—highway service: Sylvio Giroux, Village de St-Prime, $24,500.00; Rosaire Goudreault, Albanel, $24,900.00; Johnny Perron, Box 31, Mistassini, $25,600.00; Federal Delivery Inc. (Rosaire Blouin) 46 Moreau Sud, Quebec, $27,106.00; Louis Rene Doucet, Normandin, $29,800.00; Almas Bouchard, Box 128, Normandin, $30,000.00; Pruneau & Pruneau Enr., Desbiens, $31,200.00; Raoul Bouchard, Box 134, Mistassini, $32,860.00; Louis Arthur Girard, Box 32, Notre Dame d'Hebertville, $33,990.00; Bernard Ouellet, 87 Turgeon, Notre Dame d'Hebertville, Alphonse Tremblay, 4 Potvin, Notre Dame d'Hebertville, $34,964.00; Jean Neron, Box 23, Alma, $35,368.00; Isidore Pelletier, Notre Dame d'Hebertville, $36,945.00; Edmour Pilote, St-Felicien, $38,250.00; Rosaire Lamontagne, Roger Lamontagne, Box 961, Dolbeau, $38,980.00; Marcelin Meroz, 317 Blvd. Sacre-Coeur, St-Felicien, $40,605.00; Transport Frontenac Ltee., (Antoine Chabot) 263 St. Paul, Quebec, $41,226.28; Edmour St. Pierre, Albanel, $60,000.00.

Tender received which did not meet departmental requirements: Henri Audet, St. Felicien, $25,136.00.

(b) Quebec and Jonquiere-Kenogami (No. 2)—highway service: Ephrem Dufresne, 234 St. Francois, Jonquiere, $12,950.00; Henri Bouchard, 220 Chemin St. Georges, Jonquiere, $14,750.00; Francois Nolin, 131-7eme rue, Limoilou, Quebec 3, $14,789.00; Jean Neron, Box 23, Alma, $14,872.00; Clermont Quirion, 97A Bernatchez, Quebec 8, $15,000.00; Epiphane Simard, 173-8eme Ave., Port Alfred, $15,730.47; Pierre Fortin, 209 Pare, Arvida, $16,900.00; Transport Frontenac Ltee (Antoine

Chabot), 265 St-Paul, Quebec, $17,921.28; J. Arthur Bonneau, 136 Ste-Famille, Kenogami, $18,200.00; Fernand Houle, 20-3ieme Ave., Quebec 3, $20,000.00; Edmond Paradis, 228 Couture, Arvida, $22,070.00; Arthur Harvey, 422 Blvd. Auger, Alma, $26,250.00.

Tenders received which did not meet departmental requirements: Georges Henri Guay, 6 Long Sault Sud, Jonquiere, $19,800.00; Arvida Camion-Taxi Enr. (Laurent Rousseau) 123 Calais, Arvida, $24,000.00.

(c) Quebec—painting of mail boxes: Marc Gregoire, $533.00; E. M. M. Enrg., $558.00; Vital Beriault, $957.60; Rolin Construction Inc., $1,039.50; Menard & Freres, $1,160.00; Revetement mural Inc., $1,255.00; Jean Marc Parent, $1,266.00.

(d) Quebec—repairing and repainting of mail boxes: E. M. M. Enr., $1,248.00; Menard & Freres, $1,997.00; Revetement mural Inc., $2,670.00; Vital Beriault, $3,130.30; Jean Marc Parent, $3,384.00.

3. See No. 2 above.

4. (a) Sylvio Giroux; (b) Ephrem Dufresne; (c) contract not yet awarded; (d) contract not yet awarded.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, COMPTON-FRONTENAC CONSTITUENCY

*Question No. 1,432*—**Mr. Latulippe:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Compton-Frontenac?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Four, (a) Stanhope and Sherbrooke—highway service; (b) Sawyerville R. R. No. 2; (c) Paquette R. R. No. 2; (d) Lac Megantic—repainting of mail boxes.

2. (a) Stanhope and Sherbrooke—highway service; Edouard Racicot, 688 Goupil, Sherbrooke (withdrawn), $7,802.99; J. Emile Gaudette, 705 McManamy, Sherbrooke, $9,016; Fernand Beauvais, 485 - 11 ave., nord, Sherbrooke, $9,323.20.

Tender received which did not meet departmental requirements: Clement Giroux, 483-11 ave., nord, Sherbrooke, $10,224.

(b) Sawyerville R. R. No. 2: Berchmans Gendron, Box 68, Sawyerville, $1,488; Mrs. Donald Morrow, Sawyerville, $1,839; Glendon L. Morrison, R. R. No. 3, Sawyerville, $2,000.

(c) Paquette R. R. No. 2: Aime Inkel, Paquette, $1,200.

(d) Lac Megantic—repainting of mail boxes: Claude Beaudoin, $60; Gaston Lorange, $49.25.

3. See No. 2 above.

4. (a) J. Emile Gaudette; (b) decision pending; (c) decision pending; (d) Gaston Lorange.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, DORCHESTER CONSTITUENCY

*Question No. 1,433*—**Mr. Boutin:**

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Dorchester?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

[*Translation*]

**Mr. Denis:** 1. Two, (a) St-Isidore-de-Dorchester R. R. No. 2; (b) Scott Jonction R. R. No. 1.

2. (a) St-Isidore-de-Dorchester R. R. No. 2: Napoleon Mercier, St-Isidore, $2,100.

(b) Scott Jonction R. R. No. 1; Yvon Giguere, Scott Jonction, $816; Noel Giguere, Ste-Marie, $900.

3. See No. 2 above.

4. (a) Napoleon Mercier; (b) Yvon Giguere.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, VILLENEUVE CONSTITUENCY

*Question No. 1,434*—**Mr. Caouette:**

1. How many contracts have been let, or how many contracts have tenders been called for by the Post Office Department since April 8, 1963, in the constituency of Villeneuve?
2. Who were the tenderers for these contracts?
3. What was the amount bid by each tenderer?
4. To whom were these contracts awarded?
5. Who was responsible for distributing the tender documents?

[*Translation*]

**Mr. Denis:** 1. Four: (a) Noranda, repainting of mail boxes; (b) Noranda, repairing and repainting of mail boxes; (c) Val d'Or, repainting of mail boxes; (d) Val d'Or, repairig and repainting of mail boxes.

2. (a) Noranda, repainting of mail boxes: Henri Trepanier, $305; Clement Demers, $469.20; Anicet Boucher, $472.40.

(b) Noranda, repainting and repairing of mail boxes: Georges Thibault, $352; J. H. Thibault, $384; Marcel Pepin, $400.

Note: The above tenders were unacceptable and cancelled. As a result new tenders were

called and the following received: (a) L. Laquerre, $249; Henri Trepanier, $305; John David Ltee, $360; G. A. David & Fils, $375. (b) L. Laquerre, $240; A. Beaudoin, $288; Thiffault Auto Body and Service, $400; Garage A. D. Provencher and Sons Ltd., $560.

2. (c) Val d'Or, repainting of mail boxes: Courchesne and Lafleur, $64; Desjardins and Laverne, $72; Val d'Or painting registered, $96; Valere Bolduc, $120.

(d) Val d'Or, repairing and repainting of mail boxes; Valere Bolduc, $15; Desjardins and Laverne, $15; Courchesne and Lafleur, $20; Val d'Or Painting Registered, $27.

3. See No. 2 above.

4. (a) L. Laquerre; (b) L. Laquerre; (c) Courchesne and Lafleur; (d) Desjardins and Laverne.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, LAPOINTE CONSTITUENCY

*Question No. 1,435*—**Mr. Gregoire:**

1. How many contracts have been let, or how many contracts have tenders been called for by the Post Office Department since April 8, 1963, in the constituency of Lapointe?
2. Who were the tenderers for those contracts?
3. What was the amount bid by each tenderer?
4. To whom were these contracts awarded?
5. Who was responsible for distributing the tender documents?

[*Translation*]

**Mr. Denis:** 1. Four, (a) Alma and Jonquiere-Chicoutimi—highway service; (b) Quebec and Jonquiere-Kenogami (No. 2) highway service; (c) Arvida—repainting of mail boxes; (d) Arvida—repairing and repainting of mail boxes.

2. (a) Alma and Jonquiere-Chicoutimi—highway service; Jean Neron, Box 23, Alma, $3,600.00; Laurent Rousseau, 123 Calais, Arvida, $4,592.00; Nicol Tremblay, Jonquiere, $5,160.00; Messagerie Villeneuve Enr. (C. E. Villeneuve), 180A St-Dominique, Jonquiere, $5,185.00; Welley Plourde, 245 Harvey-Est, Alma, $5,947.69; Tremblay Equipement Ltee (Antoine Tremblay), St. Bruno, $6,631.00; Leo Gauthier, 108 Price-Est, Chicoutimi, $7,250.00; J. Paul Henri Tremblay, 619 St-Sacrement, Alma, $7,500.00; Charlemagne Gagnon, St-Bruno, $7,800.00; Arthur Harvey, 422 Blvd. Auger, Alma, $7,862.40; Edmond Paradis, 228 Couture, Arvida, $8,080.00; Louis Joseph Fortin, 36 St-Luc, Chicoutimi, $10,000.00; Jean-Roch Lapointe, 49 du Rosaire, Chicoutimi Nord, $10,850.00; Georges Henri Guay, 6 Long-Sault Sud, Jonquiere, $11,500.00; Camille Mailloux, 289 Labreque, Arvida, $17,700.00; Arvida Camion-Taxi Enr. (Laurent Rousseau), 123 Calais, Arvida (late tender), $6,500.00.

(b) Quebec and Jonquiere-Kenogami (No. 2) highway service: Ephrem Dufresne, 234 St. François, Jonquiere, $12,950.00; Henri Bouchard, 220 Chemin St-Georges, Jonquiere, $14,750.00; François Nolin, 131—7ieme rue, Limoilou, Quebec, $14,789.00; Jean Neron, Box 23, Alma, $14,872.00; Clermont Quirion, 97A Bernatchez, Quebec 8, $15,000.00; Epiphane Simard, 173-8 Ave., Port Alfred, $15,730.47; Pierre Fortin, 209 Paré, Arvida, $16,900.00; Transport Frontenac Ltee (Antoine Chabot), 265 St-Paul, Quebec, $17,921.28; J. Arthur Bonneau, 136 Ste-Famille, Kenogami, $18,200.00; Fernand Houde, 20-3ieme ave., Quebec 3, $20,000.00; Edmond Paradis, 228 Couture, Arvida, $22,070.00; Arthur Harvey, 422 Blvd. Auger, Alma, $26,250.00.

Tenders received which did not meet departmental requirements: Georges Henri Guay, 6 Long Sault Sud, Jonquiere, $19,800.00; Arvida Camion-Taxi Enr. (Laurent Rousseau), 123 Calais, Arvida, $24,000.00.

(c) Arvida—repainting of mail boxes: Atelier de Peinture Inc., $110.00; Simard & Simard Construction Inc., $121.00.

(d) Arvida—repairing and repainting of mail boxes; Atelier de Peinture Inc., $353.00; Simard & Simard Construction Inc., $374.00.

3. See No. 2 above.

4. (a) Jean Neron; (b) Ephrem Dufresne; (c) Atelier de Peinture Inc.; (d) Atelier de Peinture Inc.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, MEGANTIC CONSTITUENCY

*Question No. 1,436*—**Mr. Langlois:**

1. How many contracts have been let, or how many contracts have tenders been called for by the Post Office Department since April 8, 1963, in the constituency of Megantic?
2. Who were the tenderers for these contracts?
3. What was the amount bid by each tenderer?
4. To whom were these contracts awarded?
5. Who was responsible for distributing the tender documents?

[*Translation*]

**Mr. Denis:** 1. Four: (a) Lemesurier, R.R. No. 1; (b) Ste-Sophie-de-Megantic, R.R. No. 1; (c) Thetford Mines, repainting of mail boxes; (d) Thetford Mines, repairing and repainting of mail boxes.

2. (a) Lemesurier, R.R. No. 1: Emilien Routhier, R.R. 1, Lemesurier, $1,150; Gerald Tuite, Lemesurier, $1,260; Louis Denis Bisson, Lemesurier, $1,500; Robert Alexander Wilkin, Lemesurier, $1,500.

(b) Ste-Sophie-de-Megantic, R.R. No. 1: Edmond Turgeon, Ste-Sophie-de-Megantic, $824; Arthur Roberge, Ste-Sophie-de-Megantic, $885; Leo Pellerin, Ste-Sophie-de-Megantic, $936.20; Roland Gosselin, Ste-Sophie-de-Megantic, $1,140; Armand Mathieu, Ste-Sophie-de-Megantic, $1,149; Emile Beaudoin, Ste-Sophie-de-Megantic, $1,290.

(c) Thetford Mines, repainting of mail boxes: Marius Rouleau, $587; (d) Thetford Mines, repairing and repainting of mail boxes: Marcel Blanchette, $68; Real Houde, $107; Raymond Blais, $115; Marius Rouleau, $152.

3. See No. 2 above.

4. (a) Emilien Routhier; (b) Edmond Turgeon; (c) contract not yet awarded; (d) Marcel Blanchette.

5. The district director of postal service and the postmasters.

[*Text*]

POST OFFICE DEPARTMENT CONTRACTS, CHAPLEAU CONSTITUENCY

*Question No. 1,437*—**Mr. Laprise:**

1. How many contracts have been let, or how many contracts have tenders been called for by the Post Office Department since April 8, 1963, in the constituency of Chapleau?
2. Who were the tenderers for these contracts?
3. What was the amount bid by each tenderer?
4. To whom were these contracts awarded?
5. Who was responsible for distributing the tender documents?

[*Translation*]

**Mr. Denis:** 1. Four: (a) Authier, R.R. No. 1; (b) Guyenne, R.R. No. 1; (c) Mancebourg, R.R. No. 1; (d) Amos, repainting of mail boxes.

2. (a) Authier, R.R. No. 1: Delphis Blais, Authier, $2,400.

(b) Guyenne, R.R. No. 1: Leo Ouellet, Guyenne, $1,150; Alphonse St. Pierre, $1,860.

(c) Mancebourg, R.R. 1: Napoleon Theberge, Ste-Helene-Mancebourg, $2,545; Fernand Fournier, Ste-Helene-Mancebourg, $2,589; Antonio Labrecque, Mancebourg, $2,700.

(d) Amos, repainting of mail boxes: Rene Guerin, $40; Aurele Trudeau, $64; Yvon Gauthier, $64.

3. See No. 2 above.

4. (a) Delphis Blais; (b) Leo Ouellet; (c) decision pending; (d) Rene Guerin.

5. The district director of postal service and the postmasters.

[*Text*]

FARM IMPROVEMENT LOAN APPLICATIONS FOR FARM CONSTRUCTION

*Question No. 1,461*—**Mr. Laprise:**

1. Under the Farm Improvement Loans Act, how many applications for loans have been made for the construction of farm buildings (a) in Canada (b) in Quebec (c) county of Chapleau?

*Questions*

2. How many of these applications have been refused (a) in Canada (b) in Quebec (c) in the county of Chapleau?

[*Translation*]

**Mr. Benson:** 1. Under the Farm Improvement Loans Act, the government guarantees loans made by the chartered banks. Data on the number of applications made to the banks, and on the number of those rejected, are not available. Statistics on operations under the act are compiled only for loans actually made. Loan statistics, as published in the annual reports on operations under the act, show loans made by purpose and by province, but not by counties. Provincial breakdowns of loans classified by purpose have been available only since 1953.

2. Loans made for the construction, repair or alteration of farm homes and buildings

| | 1945 to 1962 | | 1953 to 1962 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| | | $ | | $ |
| Canada | 66,100 | 105,740,290 | 50,639 | 88,837,465 |
| Quebec | n.a | n.a | 4,733 | 8,047,506 |

Details on lending operations during 1962 are contained in the 18th annual report which was tabled in the House of Commons on October 10, 1963.

[*Text*]

FARM IMPROVEMENT LOAN APPLICATIONS FOR LIVESTOCK

*Question No. 1,462*—**Mr. Laprise:**

1. Under the Farm Improvement Loans Act, how many applications for loans have been made for the purchase of farm animals (a) in Canada (b) in Quebec (c) in the county of Chapleau?
2. How many of these applications have been refused (a) in Canada (b) in Quebec (c) in the county of Chapleau?

[*Translation*]

**Mr. Benson:** 1. and 2. Under the Farm Improvement Loans Act, the government guarantees loans made by the chartered banks. Data on the number of applications made to the banks, and on the number of those rejected, are not available. Statistics on operations under the act are compiled only for loans actually made. Loan statistics, as published in the annual reports on operations under the act show loans made by purpose and by province, but not by counties. Provincial breakdowns of loans classified by purpose have been available only since 1953.

Loans made for the purchase of livestock

| | 1945 to 1962 | | 1953 to 1962 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| | | $ | | $ |
| Canada | 70,877 | 76,046,532 | 59,379 | 66,592,919 |
| Quebec | n.a | n.a | 8,018 | 9,912,876 |

*Questions*

Details on lending operations during 1962 are contained in the 18th annual report which was tabled in the House of Commons on October 10, 1963.

[*Text*]

FARM IMPROVEMENT LOAN APPLICATIONS FOR IMPROVEMENTS

*Question No. 1,463*—**Mr. Laprise:**

1. In addition to loans granted under the Farm Improvement Loans Act, for the purchase of farm implements, the construction of farm buildings, and for the purchase of livestock, how many applications have been received for loans for other improvements (a) in Canada (b) in Quebec (c) in the county of Chapleau?

2. How many of these applications were refused (a) in Canada (b) in Quebec (c) in the county of Chapleau?

[*Translation*]

**Mr. Benson:** 1 and 2. Under the Farm Improvement Loans Act, the government guarantees loans made by the chartered banks. Data on the number of applications made to the banks, and on the number of those rejected, are not available. Statistics on operations under the act are compiled only for loans actually made. Loan statistics, as published in the annual reports on operations under the act, show loans made by purpose and by province, but not by counties. Provincial breakdowns of loans classified by purpose have been available only since 1953.

Loans Made for Other Farm Improvements

| | 1945-1962 | | 1953-1962 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| | | $ | | $ |
| Canada | 35,769 | 27,466,211 | 22,510 | 21,158,766 |
| Quebec | n.a. | n.a. | 1,511 | 1,712,750 |

Details on lending operations during 1962 are contained in the 18th annual report which was tabled in the House of Commons on October 10, 1963.

[*Text*]

FARM IMPROVEMENT LOAN APPLICATIONS FOR IMPLEMENTS

*Question No. 1,464*—**Mr. Laprise:**

1. Under the Farm Improvement Loans Act, how many applications for loans have been made for the purchase of farm implements (a) in Canada (b) in Quebec (c) in the county of Chapleau?

2. How many of these applications have been refused (a) in Canada (b) in Quebec (c) in the county of Chapleau?

[*Translation*]

**Mr. Benson:** 1 and 2. Under the Farm Improvement Loans Act, the government guarantees loans made by the chartered banks. Data on the number of applications made by the banks and on the number of those rejected are not available. Statistics on operations under the act are compiled only for loans actually made. Loan statistics, as published in the annual reports on operations under the act, show loans made by purpose and by province, but not by counties. Provincial breakdowns of loans classified by purpose have been available only since 1953.

Loans Made for the Purchase of Agricultural Implements

| | 1945 to 1962 | | 1953 to 1962 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| | | $ | | $ |
| Canada | 833,349 | 1,030,765,705 | 541,627 | 709,792,506 |
| Quebec | n.a. | n.a. | 73,602 | 97,816,613 |

Details on lending operations during 1962 are contained in the 18th annual report which was tabled in the House of Commons on October 10, 1963.

[*Text*]

FARM IMPROVEMENT LOAN APPLICATIONS

*Question No. 1,465*—**Mr. Laprise:**

1. Under the Farm Improvement Loans Act, how many applications for loans have been made (a) in Canada (b) in Quebec (c) in the county of Chapleau?

2. How many of these applications have been refused (a) in Canada (b) in Quebec (c) in the county of Chapleau?

[*Translation*]

**Mr. Benson:** 1 and 2. Under the Farm Improvement Loans Act, the government guarantees loans made by the chartered banks. Data on the number of applications made to the banks, and on the number of those rejected, are not available. Statistics on operations under the act are compiled only for

loans actually made. Loan statistics, as published in the annual reports on operations under the act, show loans made by purpose and by province, but not by counties. Provincial breakdowns of loans classified by purpose have been available only since 1953.

Total Farm Improvement Loans Made

| | 1945-1962 | | 1953-1962 | |
|---|---|---|---|---|
| | No. | Amount | No. | Amount |
| | | $ | | $ |
| Canada | 1,006,095 | 1,240,018,738 | 674,155 | 886,381,656 |
| Quebec | 104,897 | 136,195,347 | 87,864 | 117,549,745 |

Details on lending operations during 1962 are contained in the 18th annual report which was tabled in the House of Commons on October 10, 1963.

[*Text*]

GRANTS IN LIEU OF TAXES, QUEBEC MUNICIPALITIES

*Question No. 1,467*—**Mr. Gauthier:**

What amounts has the Department of Transport expended during 1961 and 1962 in grants in lieu of taxes on federal property within the municipalities in which the following airports are located (a) Uplands (b) Dorval (c) Ancienne Lorette (d) Bagotville?

[*Translation*]

**Mr. Benson:** The Department of Finance has made grants in lieu of taxes on airport properties for 1961 and 1962 as follows:

| Name of Airport | | | Name of Municipality | Amount | Total |
|---|---|---|---|---|---|
| (a) Uplands | 1961 | grant | City of Ottawa | $ 83,362 | |
| | | | Twp. of Gloucester | 108,009 | $191,371 |
| | 1962 | " | City of Ottawa | (not yet ascertained)[1] | |
| | | | Twp. of Gloucester | 89,746 | 89,746 |
| (b) Dorval | 1961 | " | City of Dorval | 437,295 | |
| | | | City of St. Laurent | 95,133 | 532,428 |
| | 1962 | " | City of Dorval | (not yet ascertained)[1] | |
| | | | City of St. Laurent | 103,863 | 103,863 |
| (c) Ancienne Lorette | 1961 | " | Parish of Ancienne Lorette | 1,865 | |
| | | | Parish of Ancienne Lorette School Comm. | 5,595 | 7,460 |
| | 1962 | " | Parish (as above) | 4,597 | |
| | | | School (as above) | 6,247 | 10,844 |
| (d) Bagotville | 1961 | " | | nil[2] | nil |
| | 1962 | " | | nil[2] | nil |

Note (1) Grant has been paid in part, but payment is not related to specific federal property.

(2) Parish of Bagotville has not yet submitted application.

[*Text*]

BANK OF CANADA LOANS

*Question No. 1,470*—**Mr. Caouette:**

1. Has the Bank of Canada made any loans during the past five years and, if so, what was the total of such loans, and what rate of interest was charged in each case?

2. Were such loans granted to the federal government and, if so, what was the amount of each loan, and what was the rate of interest charged in each case?

3. Did the Bank of Canada make any loans to provincial governments, and, if so, what was the amount of each loan, and the rate of interest charged in each case and, if not, for what reason?

4. Has the Bank of Canada made any loans to crown corporations or to any other company and, if so, what was the amount, and the rate of interest in each case?

[*Translation*]

**Mr. Benson:** 1, 2 and 3. The amounts of advances made by the Bank of Canada and a record of the bank rate of interest charged on advances appear in the monthly statistical summary published by the Bank of Canada.

4. No.

[*Text*]

MENTAL HEALTH GRANTS AND COMMITMENTS

*Question No. 1,474*—**Mr. Orlikow:**

1. How many psychiatrists in training 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?

**Miss LaMarsh:** 1. Under the national health grants, 180 psychiatrists are in receipt of training grants during the fiscal year 1963-64.

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 1963-64, an amount of $285,370 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 consultation with provincial planners will take place over the next few months.

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.

MENTAL HEALTH TRAINING PROGRAMS, ETC.

*Question No. 1,478*—**Mr. Orlikow:**

1. What was the number of training programs, bursaries, and short courses in the field of mental health in each of the years from 1952-53 to 1961-62?
2. What was the total amount available in mental health grants for each of these years?

---

**Miss LaMarsh:**

| | 1. | | | 2. |
|---|---|---|---|---|
| | Training programs approved | Bursaries approved | Short courses approved | Amount available |
| 1952-53 | 20 | 258 | 67 | $6,203,652 |
| 1953-54 | 19 | 291 | 137 | 6,203,652 |
| 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 |

ENTERPRISE, ONT., POSTMASTER

*Question No. 1,481*—**Mr. Webb:**

1. Who was the postmaster at Enterprise, Ontario, from January 1, 1963 to August 27, 1963?
2. Was the widow of the deceased Clare Stewart at Enterprise approached following her husband's death to take over the said post office?
3. Is she a veteran?
4. What was the total revenue of the said post office in each of the years, 1961, 1962, and 1963, to date?
5. Who has been appointed as postmaster, and is such appointee a veteran?

**Mr. Denis:** 1. Mr. Clare A. Stewart.

2. The widow of the deceased Clare Stewart was placed in charge of the office on a temporary basis pending a new appointment.

3. Not a veteran entitling her to veterans preference. Mrs. Stewart served in Canada only.

4. 1960-61, $1,303.04; 1961-62, $1,269.52; 1962-63, $1,421.85; 1st April to 30th September 1963, $611.53.

5. Mrs. Thomas Dillon. Mrs. Dillon is not a veteran.

*EXECUTIVE ASSISTANT TO PRIVY COUNCIL PRESIDENT

*Question No. 1,492*—**Mr. Valade:**

1. Is a Mr. Brady employed as executive assistant to the President of the Privy Council?
2. Did the Prime Minister receive a letter dated July 2 from the mayor of Montreal relating to the activities of Mr. Brady and, if so, what was the nature of its contents?
3. Has Mr. Brady been in touch with the mayor of Montreal or Mr. Saulnier on behalf of the President of the Privy Council since April 8, 1963 and, if so, for what reason?

[*Translation*]

**Mr. Lamontagne:** 1. The answer to part one is yes.

2. The answer to part two is as follows:

The right hon. Prime Minister received from the mayor of Montreal a letter dated July 2.

This letter was not about Mr. Brady's activities. His name was mentioned incidentally with regard to a telephone call he had made to Mr. Lucien Saulnier from the Prime Minister's residence.

3. The answer to part three is no.

[*Text*]

*USE OF GOVERNMENT VEHICLES FOR PRIVATE ACTIVITIES

*Question No. 1,496*—**Mr. Herridge:**

Which departments of government permit the use of government vehicles by officials, employees or their wives for church attendance, shopping and recreational activities where these facilities are more than a mile from the residences of those persons so favoured?





**Mr. Benson:** In its circular letter of November 25, 1954 (1954-24), the treasury board directed departments that the non-official use of government vehicles was prohibited unless the specific approval of the treasury board was obtained. In this regard the board in the same letter indicated that such approval might be granted in special cases where units are situated in isolated areas, and where there is no alternative transportation or the alternative transportation is most inadequate. Also, approval would be confined to such purposes as collection of mail, essential shopping, transportation of children to school, medical and dental attention, etc.

Employees of the following departments, who are working under the foregoing conditions, have been permitted to use departmental vehicles to attend to their personal needs and activities on the strength of individual authorities granted to their departments by the board:

Department of Agriculture, experimental research station at Manyberries, Alta.; Department of Citizenship and Immigration, assistant superintendent at Battleford Indian agency, Sask.; Department of Forestry, forest research stations at Cornerbrook, Nfld., Fredericton, N.B., Quebec, P.Q., Maple, Ont., Sault Ste. Marie, Ont., Winnipeg, Man., Saskatoon, Sask., Calgary, Alta., Vernon, B.C., Victoria, B.C.; Department of Justice (penitentiaries), use of penitentiary bus to transport employees to annual picnics; Department of Mines and Technical Surveys, dominion observatory research stations in Alberta; Department of National Defence, defence research board, Suffield experimental station, Alta., D.R.B. northern laboratory, Fort Churchill, Man.; Department of Northern Affairs and National Resources, national parks and northern administration Arctic posts personnel; Department of Transport, in isolated areas of the country where remote airports and aeradio stations are located.

FRENCH CANADIAN PRESIDENTS OF CROWN CORPORATIONS

*Question No. 1,498*—**Mr. Boulanger:**

1. (a) Since his appointment as president of the Canadian Commercial Corporation, has Mr. Marc Lamoureux succeeded in increasing the turnover of that firm (b) have Mr. Lamoureux's duties and authority been reduced and, if so, for what reason?
2. Is Mr. Lamoureux the only Canadian of French origin who is president of a crown corporation coming under the Departments of Industry or Defence Production and, if not, are there others, what are their names and, in each case, have their authority and prerogatives been reduced?

**Mr. Drury:** 1. (a) The contracts handled through Canadian Commercial Corporation have expanded significantly over the past few years. This has been due mainly to increased

orders for military equipments from the United States under the production sharing program. The responsibility for the production sharing program rests with the Department of Defence Production, with Canadian Commercial Corporation providing certain services in connection with United States government prime contracts for goods and services in Canada.

(b) Mr. Lamoureux's duties and authority are in the process of being changed, along with those of a large number of other officers in the Department of Defence Production and its associated crown corporations, to bring them into line with reorganizations recommended by the Glassco commission and in the process of being implemented by the government.

2. No. Mr. J. R. Brisson is president and general manager of Canadian Arsenals Limited, and Mr. Louis Richard is president and general manager of Crown Assets Disposal Corporation. Their authorities and prerogatives have not been reduced.

EDMONTON AIRPORT TERMINAL—INSTALLATION OF MURALS

*Question No. 1,501*—**Mr. Lambert:**

1. Have any murals been completed for installation in the terminal building of the Edmonton international airport and, if so, how many?
2. Who were the artists commissioned, and what was the amount of their respective commissions?
3. On whose recommendation were the said artists commissioned, and by whom were their works approved?
4. If the recommendation was by a committee or board, who were the members of the committee or board?

**Mr. McIlraith:** 1. Two murals have been completed for installation in the new Edmonton terminal building.

2. Mr. Denis Burton was commissioned for a mural 5'x21' in the amount of $4,500 and Mr. Jack Shadbolt was commissioned for a mural 18'x37' in the amount of $18,000.

3. The artists were commissioned on the recommendation of the fine art committee for the Edmonton terminal building.

4. Miss Suzanne Rivard, of the Ecole des Beaux Arts, Montreal, Que.; Dr. Charles F. Comfort, director of the national gallery of Canada, Ottawa; Dr. Henry Kreisel, head of the department of English, University of Alberta, Edmonton; Professor John A. Russell, director of the school of architecture, University of Manitoba; Professor W. Gerson, acting director, school of architecture, University of British Columbia; Mr. John C. Parkin, chairman of the national design council; Dr. Fred Minsos, consulting architect for the terminal building; Dr. Nathan Stolow, of the national gallery of Canada; Mr. W. A. Ramsay, chief architect, major terminals, Department of Transport.

C.N.R. TRUCK SERVICE FROM LEVIS, QUE.

*Question No. 1,504*—**Mr. Fisher:**

1. Has the C.N.R. applied to any board for permission to supply trucking services in lieu of, or complementary to, rail service from Levis to Riviere du Loup?
2. If such service is established is it projected by C.N.R. planners that this will lead to less rail freight traffic between these points and beyond and, if so, how do these changes affect the implementation of the act to provide for the building of a railway between Matane and Ste. Anne des Monts?

**Mr. McIlraith:** The management of Canadian National Railways advise as follows:

1 and 2. The company entered into a contractual arrangement with a local truck operator, operating under temporary permit from the Quebec transport board to perform this service as a complement to existing train services.

The service has to do with less carload freight traffic in the territory between Levis and Riviere du Loup as a consequence of adjustments in passenger train consist resulting from improvements in passenger train service. It is not considered that this service has any relation to transportation service between Matane and Ste. Anne des Monts.

*SOCIAL AND OLD AGE ASSISTANCE

*Question No. 1,514*—**Mr. Côté (Chicoutimi):**

1. Does the Department of National Health and Welfare have any statistics showing the number of persons in Canada receiving social assistance or old age assistance benefits?
2. How many persons are receiving benefits?
3. What is the federal government's share, in dollars, of such social assistance or old age payments?
4. What percentage does that amount represent with regard to the contribution made by the provinces?

[*Translation*]

**Mr. Haidasz:** 1. Yes.

2. As of March 31, 1963; the number of recipients of old age assistance was 103,159; the number of persons being assisted under the Unemployment Assistance Act was 754,164. This figure includes children and other dependents and recipients of other social security benefits who have been granted supplementary aid.

3. For the fiscal year 1962-63; old age assistance—$38,179,057; unemployment assistance—$96,184,792.

4. The cost of old age assistance is shared equally by the federal government and the provinces.

Under the terms of the Unemployment Assistance Act, the federal government pays 50 per cent of assistance costs. However,

these exclude certain specified costs, including health costs and costs by way of mothers' allowances which are deducted on a formula basis.

[*Text*]

CANADA'S MEMBERSHIP IN NATO

*Question No. 1,516*—**Mr. Latulippe:**

1. What are the various obligations undertaken by Canada in connection with NATO?
2. What was the cost to date this year, and during each of the last five years of Canada's direct participation in NATO?
3. Is Canada included in the NATO countries who were recently accused of not fulfilling their obligations to the alliance?
4. What are the names of the members of the diplomatic corps or other persons who represent Canada at the NATO organization?
5. How many Canadian servicemen are directly committed to NATO?
6. How much did it cost Canada to maintain these forces during the last fiscal year?
7. What other commonwealth countries are NATO members and what is their share of the cost in relation to Canada's share?

[*Translation*]

**Answer:** 1. Canada's direct commitments to NATO are the army brigade group and the air division in Europe. In addition, the R.C.N. and R.C.A.F. have earmarked certain ships and aircraft to be assigned to SACLANT in an emergency. There are also direct expenditures on mutual aid including contributions to infrastructure and NATO budgets.

2. Annual expenditures: 1959-60, $342,578,000; 1960-61, $408,916,000; 1961-62, $455,545,000; 1962-63, $465,129,000; 1963-64, $415,598,000*.

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*Estimated. Approximately $200,000,000 of the 1963-64 appropriation has been spent to October 31, 1963.

3. No official information is available concerning alleged criticism of NATO countries for not fulfilling their obligations to the alliance.

4. The Canadian permanent representative to the NATO council in Paris is Mr. G. Ignatieff. He has the rank of ambassador. Other members of the Canadian delegation are: military adviser, Air Vice Marshal R. A. Cameron, C.D.; counsellor, R. H. Jay; counsellor (defence production), P. Solly-Flood; counsellor (defence), A. S. Duncan; counsellor, D. B. Wilson; counsellor (scientific), Dr. J. G. Malloch, M.B.E.; first secretary (finance), R. C. Monk; first secretary, P. A. Bissonnette; first secretary, J. H. Taylor; first secretary, R. S. MacLean; first secretary (finance), R. Lachaine; first secretary (emergency measures), P. Theriault; assistant military adviser, Lt. Col. W. C. Leonard, M.B.E., C.D.; second secretary (defence production), B. H. E. Maynard; second secretary, Miss D. J. Armstrong; second secretary, P. A. Lapointe; attache (administration), Miss J. Dove.

5. 12,200.

6. See answer to (2) above.

7. United Kingdom. On the basis of defence expenditures to gross national product, it was estimated that in 1962, the United Kingdom spent 7.4 per cent, Canada 5.1 per cent.

[*Text*]

P.O. DEPARTMENT CONTRACTS, KAMOURASKA CONSTITUENCY, QUE.

*Question No. 1,517*—**Mr. Dionne:**

1. How many contracts were awarded or for how many contracts were tenders called by the Post Office Department for Kamouraska constituency since April 8, 1963?
2. Who were the tenderers for these contracts?
3. What was the amount of each of the tenders?
4. Who was awarded the contract?
5. Who was responsible for the distribution of the necessary forms?

[*Translation*]

**Mr. Denis:** 1. One—St. Damase-des-Aulnaies R.R. No. 1.

2. Tenders not yet opened.

3. N/A.

4. N/A.

5. The district director of postal service and the postmaster.

[*Text*]

*L'ASSOMPTION, QUE.—POST OFFICE PAINTING CONTRACT

*Question No. 1,518*—**Mr. Pigeon:**

1. What is the name of the contractor who is now doing paint work at the post office of L'Assomption, Que.?
2. What are the terms of his contract?
3. What other contractors were invited to tender for that contract?
4. Did Mr. Roland Comtois, of Repentigny, in the county of L'Assomption, submit a list of painting contractors to the Department of Public Works in connection with the paint work to be done at the post office of L'Assomption and, if not, what is the name of the person, if any, who submitted such a list?

[*Translation*]

**Mr. Badanai:** 1. Mr. Achille Pellerin, Ste. Julienne, Que.

2. It is a regular painting contract for the exterior repainting of the L'Assomption post office according to the department's specifications and for an amount of $750.

3. Mr. Henri Adam, 323 St. Louis, Joliette, Que. and Mr. Marcel Drouin, 879 Bord de l'eau, St. Sulpice, Que.

4. Some correspondence was exchanged with Mr. Comtois, but since this correspondence is personal and confidential, I am unable to divulge its contents.

[*Text*]

PRINCE RUPERT, B.C., GRAIN ELEVATOR

*Question No. 1,520*—**Mr. Howard:**

Since January 1, 1962 have any representations been made to the government or any agency or branch thereof suggesting or proposing that the grain elevator in Prince Rupert, B.C., be sold or otherwise disposed of and, if so, what are the details surrounding any such suggestions or proposals?

**Mr. Hays:** Representations have recently been received by the Minister of Agriculture and the board of grain commissioners inquiring if the board would entertain the possibility of leasing the Canadian government elevator at Prince Rupert to a group of local businessmen, whose identity was not disclosed. The inquiry contained no detailed suggestions but asked what the yearly lease would be if the leasing proposal was entertained.

MOTOR VEHICLE SUPPLIES, R.C.M.P. DETACHMENT, NORTH SYDNEY, N.S.

*Question No. 1,523*—**Mr. Muir (Cape Breton North and Victoria.**

Since 1950, what are the names and addresses of the suppliers of gas, oil, tires and other services to motor vehicles of the North Sydney, Nova Scotia, detachment of the Royal Canadian Mounted Police?

**Mr. Chevrier:** Records are destroyed after five years; however, since 1958 the following firms supplied gas, oil, tires and other services: Austin's Service Station, P.O. Box 96, North Sydney, N.S.; L. A. Steele, P.O. Box 344, North Sydney, N.S.; Gateway Motors Ltd., P.O. Box 757, North Sydney, N.S.; McCormick's Esso Service Station, North Sydney, N.S.; R. J. Logue Ltd., North Sydney, N.S.

PASSENGER ACCOMMODATION, C.N.R. RAIL LINER, SYDNEY-HALIFAX

*Question No. 1,524*—**Mr. Muir (Cape Breton North and Victoria):**

Have any complaints been received by the Canadian National Railways during the past six months in regard to overcrowding and shortage of seating accommodation on the rail liner operating between Sydney and Halifax, Nova Scotia, and, if so, what remedial action is contemplated to eliminate the causes of these complaints?

**Mr. McIlraith:** The management of Canadian National Railways advise as follows:

During the past summer months travel between Sydney and Halifax was exceptionally heavy and on some occasions it was necessary to handle by bus or taxi overflow traffic from such points as New Glasgow and Stellarton. Since mid-September overcrowding has been experienced on five occasions. A complete reexamination of all aspects of the Halifax-Sydney daylight service is being conducted.

[Mr. Badanai.]

*MISS FRANCE DENIS

*Question No. 1,531*—**Mr. Valade:**

1. Is Miss France Denis employed by the government of Canada and, if so, where, in what capacity and on whose recommendation was she appointed?
2. What is her age, place of birth, institutions of education attended and educational qualifications?
3. What is her present salary with the government?
4. What particular qualities of Miss Denis led to her engagement?

[*Translation*]

**Mr. Denis:** 1. Yes, as private secretary, in the office of the Postmaster General, in Ottawa.

2. Montreal. The sisters of St. Ann's boarding school, in Lachine, P.Q.; the mother house of the sisters of Jesus and Mary, in Outremont, P.Q.; first year of university course in letters and science.

3. $7,000 a year.

4. Since she has been my secretary since 1935, I have complete confidence in this person in all respects.

PUBLICITY POLICY, WORLD FAIR

*Question No. 1,540*—**Mr. Latulippe:**

[*Text*]

1. Is the government considering the creation of a tourist and information department to consolidate existing government services particularly with respect to the world fair and the Canadian centenary?
2. If not, what positive action is being considered in order to co-ordinate publicity and informational material with regard to the 1967 exhibition and the centenary?
3. Which minister will be responsible for the publicity aspect of the world fair?

**Mr. Pearson:** 1. No.

2. The Canadian World Exhibition Corporation and the national centennial administration are agencies of the crown, and each has its own information services.

3. As indicated above, the Canadian World Exhibition Corporation has its own information services under the direction of the commissioner general. The Minister of Trade and Commerce is responsible for the publicity and information aspects of the Canadian government participation in the world's fair.

*MEETINGS OF ADVISORY COMMITTEE, NORTH PACIFIC FISHERIES COMMISSION

*Question No. 1,552*—**Mr. Howard:**

1. Has the advisory committee to the north Pacific fisheries commission had any meetings since its appointment and, if so, upon what dates, where, with whom, and for what purpose?
2. Are any meetings of the said advisory committee scheduled and, if so, upon what dates, where, with whom, and for what purpose?

**Mr. Robichaud:** 1. Yes. May 31, 1963, at Vancouver, with Dr. A. W. H. Needler, deputy minister of fisheries and chairman of Canadian delegation to the then approaching discussions at Washington, D.C., re the north Pacific fisheries convention. Purpose of meeting was presentation and discussion of committee's views.

2. Yes. November 15, at Vancouver, with Dr. Needler. To deal with problems concerned with annual meeting of the north Pacific fisheries commission and further negotiations regarding the convention.

T.C.A.—TRANSFERS TO MONTREAL FROM WINNIPEG MAINTENANCE BASE

*Question No. 1,553*—**Mr. Churchill:**

How many personnel have been transferred from the T.C.A. overhaul and maintenance base in Winnipeg, to Montreal, since April 22, 1963?

**Mr. McIlraith:** The management of Trans-Canada Air Lines advise as follows:

During the period in question, there have been five transfers, all of supervisory category, four of these at the individuals' request and one at company request. No nonsupervisory personnel have been transferred in the period.

FISHERIES—FEDERAL MEMBERS OF JOINT B.C. COMMITTEE

*Question No. 1,554*—**Mr. Howard:**

1. What are the names, addresses and positions held by the members appointed by the federal government to the federal-provincial committee on price and wage disputes in the British Columbia fishing industry?
2. Upon what date, by what authority, and by whom, were these members so appointed?
3. What are the terms of reference and authority of the said committee?
4. Has the committee held any meetings and, if so, upon what dates, and at what locations, and what plans exist for future meetings?

**Answer:** 1. W. R. Hourston, Vancouver, area director Department of Fisheries; J. J. Quinlan, deputy director of investigations and research (Combines Investigation Act), Department of Justice; G. R. Currie, Vancouver, industrial relations officer, Department of Labour.

2. October 18, 1963, on authority of the Minister of Fisheries.

3. To examine in detail the problems concerned with price and wage disputes in the British Columbia fishing industry and to submit to both governments recommendations of action necessary to minimize interruptions of fishing operations in the future.

4. The first meeting will be held on November 14, at Vancouver.

*Questions*

SALES TAX ON SOFT DRINKS

*Question No. 1,563*—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the government to eliminate the sales tax on soft drinks to help offset the increased cost of production caused by the drastic increases in the price of sugar?

**Mr. Benson:** The repeal of a tax is a matter of government policy. If the government were to consider recommending such action it would be made known to the house at an appropriate time.

MEGANTIC LAKE REGION—DESIGNATION AS DEPRESSED AREA

*Question No. 1,564*—**Mr. Latulippe:**

1. Is the region of Megantic lake within the constituency of Compton-Frontenac considered as a designated depressed area and, if so, what parishes are included in this area?
2. If not, for what reasons is this area not considered a designated area?

**Mr. MacEachen:** 1. The Megantic lake district within the constituency of Compton-Frontenac is part of the national employment service Megantic area. This area has been designated as an area of high winter unemployment, but not as a development area. The national employment service area comprises the entire county of Frontenac with the exception of the townships of Adstock and Price. Included are the township municipalities of Chesham, Gayhurst, Gayhurst Southeast, Marston South, and the united townships of Ditchfield and Spaulding, the municipalities of Milan, Winslow North, Winslow South, Sainte-Cecile-de-Whitton and Saint-Hubert-de-Spaulding, the parish municipalities of Saint-Augustin-de-Woburn, Saint-Leon-de-Marston and Saint-Sebastien, the village municipality of Saint-Sebastien and the town of Megantic, which are in the constituency of Compton-Frontenac. Also included are the municipalities of Lambton, Saint-Evariste-de-Forsyth, the parish municipality of Courcelles and the village municipalities of Lambton and La Guadeloupe in the constituency of Megantic, and the municipality of the united townships of Risborough and part of Marlow, the parish municipalities of Saint-Gedeon and Saint-Hilaire-de-Dorset, the village municipalities of Saint-Ludger and Saint-Gedeon, and the municipality of Saint-Robert-Bellarmin in the constituency of Beauce.

2. The national employment service Megantic area was not designated as a development area because it did not qualify under the established criteria.

DISTRIBUTION OF MEASLES VACCINE

*Question No. 1,574*—**Mr. Gauthier:**

Does the government intend to sponsor a program for the free distribution of Enders living

virus vaccine for the prevention of measles and, if not, is there any federal legislation that can be used to control the prices at which the vaccine is sold to the general public?

**Miss LaMarsh:** No. The subject of measles vaccine was thoroughly discussed at the dominion council of health and there was no suggestion that it be included as a vaccine for free distribution.

The Department of National Health and Welfare has no power under the Food and Drug Act to control the price of the vaccine.

PUBLICATIONS BY CHIEF, ARCHAEOLOGY SECTION, NATIONAL MUSEUM

*Question No. 1,575*—**Mr. Fisher:**

In respect to the titles of publications edited or written or prepared by the chief of the archaeology section of the national museum, what are they, and in what publications (date, page) can they be found?

**Mr. Laing:** As far as they are known to the department, Mr. Taylor's publications to date are as follows:

PUBLICATIONS

1. 1951 "Ground and Polish Stone Artifacts", in "The Cohonina Culture of Northwestern Arizona" by J. C. McGregor, Univ. of Illinois Press, pp. 87-100, Urbana.

2. 1957 "Archaeological Work on Southampton Island, 1956", Arctic Circular, April, 1957, Vol. IX, No. 3, pp. 39-41, Ottawa.

3. 1958 "A Note on Sadlermiut Archaeology", Arctic Circular, Vol. X, No. 2, Jan. 1958, p. 30, Ottawa.

4. 1958 "Archaeological Work in Ungava, 1957", Arctic Circular, Vol. X, No. 2, Jan. 1958, pp. 25-27, Ottawa.

5. 1958 "Archaeology in the Canadian Arctic". Canadian Geographical Journal, Vol. LXII, No. 3, Sept. 1958, pp. 92-95, Ottawa.

6. 1958 "Ceramics of the Irving Site", in "The Pool and Irving Villages" by J. C. McGregor, pp. 64-75. University of Illinois Press, Urbana.

7. 1958 Book review of the "Dawn in Arctic Alaska", by D. Jenness, Anthropologica, No. 6, pp. 156-7, Ottawa.

8. 1958 "Report of Archaeological Survey of the Illinois River Valley" in "The Pool and Irving Villages" by J. C. McGregor, pp. 193-208. University of Illinois Press, Urbana.

9. 1958 A popular account of Arctic field work of the 1957 season in the "Professional Civil Service Journal".

10. 1959 "Archaeological Work in Ungava and Mansel Island". Arctic Circular, Vol. XI, No. 4, Aug. 1959, pp. 66-68, Ottawa.

[Mr. Gauthier.]

11. 1959 "The Mysterious Sadlermiut", the Beaver, Outfit 290, Winter 1959, pp. 26-33, Winnipeg.

12. 1959 "Review and Assessment of the Dorset Problem", Anthropologica, N.S., Vol. 1, No. 1 and 2, pp. 24-46, Ottawa.

13. 1959 "Skullduggery with Stormhavens" Black's Bulletin, Autumn, 1959, pp. 2-3, Glasgow.

14. 1960 "A Description of Sadlermiut Houses Excavated at Native Point, Southampton Island, N.W.T." in "Contributions to Anthropology, 1957", Bulletin 162 of the National Museum of Canada, pp. 53-100, Ottawa.

15. 1960 Book Review of "The Eskimos" by K. Birket-Smith, Anthropologica, N.S. Vol. II, No. 1, pp. 132-33, Ottawa.

16. 1960 With W. S. Laughlin as co-author "A Cape Dorset Site at Payne Bay, Ungava" in "Contributions to Anthropology, 1958", Bulletin 167 of the National Museum of Canada, pp. 1-28, Ottawa.

17. 1960 "Archaeological Work at Ivugivik and Mansel Island, 1959" in Arctic Circular, Vol. XIII, No. 1, Aug. 1960, pp. 1-4, Ottawa.

18. 1961 "The Eskimos: Some Comments and Reply", Anthropologica, N.S. Vol. III, No. 1, pp. 85-89, Ottawa.

19. 1961 Review of "Indian Life in the Upper Great Lakes" by G. I. Quimby, Canadian Geographical Journal, Vol. LXIII, No. 3, Sept. 1961, pp. VI-VIII, Ottawa.

20. 1961 Review of "Eskimo Sculpture" by Jorgen Meldgaard, Canadian Geographical Journal, Vol. LXIII, No. 5, Nov. 1961, Ottawa.

21. 1962 "A Distinction Between Blades and Microblades in the American Arctic". American Antiquity, Vol. 27, No. 3, Jan. 1962, pp. 425-26, Salt Lake City.

22. 1962 "Comments on the Nature and Origin of the Dorset Culture" in Problems of the Pleistocene and Arctic, Vol. II, pp. 56-67, McGill University, Montreal.

23. 1962 "Pre-Dorset Occupations at Ivugivik in Northwestern Ungava", in "Prehistoric Cultural Relations Between the Arctic and Temperate Zones of North America", ed. J. Campbell, Arctic Institute of North America, Technical Paper No. 11, pp. 80-91 + 2 plates + 1 table, Montreal.

24. 1963 "Archaeological Collections from the Joy Bay Region, Ungava Peninsula". Arctic Circular, Vol. XV, No. 2, April, 1963, pp. 24-36, Ottawa.

25. 1963 "Hypotheses on the Origin of Canadian Thule Culture", American Antiquity, Vol. 28, No. 4, April, 1963, pp. 456-464, Salt Lake City.

26. 1963 "Implications of a Pre-Dorset Lance Head from the Eastern Canadian Arctic". Arctic, Vol. 16, No. 2, June, 1963, pp. 129-134, Montreal.

27. 1963 Review of "An Archaeological Collection from Somerset Island and Boothia Peninsula" by J. W. Van Stone. Arctic, Vol. 16, No. 2, June 1963, pp. 144-45, Montreal.

IN PRESS

28. 1963 Review of "Hunters of the Buried Years" by A. B. Kehoe, Canadian Geographical Journal, Vol. LXVII, No. 4, pp. V-VI, Oct. 1963, Ottawa.

29. 1963 "The Prehistory of Labrador Peninsula" in "Etudes Economiques et Humaines au Nouveau Quebec" Bibliotheque Arctique et Antarctique, Tome 2. Publication de l'Ecole Pratique des Hautes Etudes, Mouton et Co., Paris, La Haye.

MANUSCRIPTS COMPLETED

30. "Le Prehistoire de la Peninsule du Labrador" an anthropology paper of the National Museum of Canada.

31. "A Contribution to the Study of Dorset Culture Origins" a bulletin of the National Museum of Canada.

MANUSCRIPTS IN PREPARATION

32. "Thule Culture Villages on Bathurst and Somerset Islands, N.W.T." for National Museum of Canada "Contributions to Anthropology".

33. "An Archaeological Survey between Cape Parry and Cambridge Bay, N.W.T. 1963" for Arctic anthropology.

34. "A Dorset Culture Site on Melville Island, N.W.T." with V. Henoch as junior author for Arctic.

35. "Prehistory of the Canadian Tundra" a chapter for "The Prehistory of Canada", a special National Museum of Canada volume.

36. "Prehistory of Quebec" with J. V. Wright as co-author, a Chapter for "The Prehistory of Canada", a special National Museum of Canada volume, being compiled and edited by W. E. Taylor.

MANUSCRIPTS EDITED

37. N.M.C., Bull. 167, "Contributions to Anthropology, 1958", Ottawa 1960, pp. 1-79.

38. N.M.C., Bull. 180, "Contributions to Anthropology, 1960", Part One, pp. 1-190, Ottawa 1962.

39. N.M.C., Bull. 170, "An Archaeological Analysis of Eastern Grant Land, Ellesmere Island, Northwest Territories", by M. S. Maxwell, pp. 1-109, Ottawa 1960.

40. "The Human Skeleton, A manual for Archaeologists", by J. E. Anderson, pp. 1-164, Ottawa, 1962.

41. N.M.C., Bull. 184, "The Donaldson Site" by J. V. Wright and J. E. Anderson, pp. 1-113, Ottawa, 1963.

42. 7 papers and 1 monograph now in press with The National Museum of Canada were also edited. The authors included are Pendergast, Anderson, Sanger, Harp, Demirjean, Rousseliere, Channen and Clarke, and Wright, Levesque and Osborne.

43. Edited for the past few years, archaeology manuscripts for the journal, "Anthropologica".

44. Edited papers for several authors prior to their publication in other journals.

GRAIN UNLOADINGS, PRINCE RUPERT, B.C.

*Question No. 1,577*—**Mr. Howard:**

1. For the weeks ending (a) October 7 (b) October 14 (c) October 21, and (d) October 28, how many railway cars of grain were unloaded at Prince Rupert, B.C.?

2. For each month in 1963, what amount of grain by (a) number of railway cars (b) volume (c) grade, and (d) type, was unloaded at Prince Rupert?

**Mr. Hays:** 1. Cars of grain unloaded at the Canadian government elevators, Prince Rupert, B.C.—week ending (a) October 7, 51; (b) October 14, 77; (c) October 21, 103; (d) October 28, 87.

2. Grain unloaded at the above elevator, by months in 1963:

| | (a) No. of cars | (b) Amount bu. |
|---|---|---|
| January | 145 | 256,228 |
| February | 297 | 529,495 |
| March | 306 | 546,324 |
| April | 469 | 855,096 |
| May | 282 | 529,490 |
| June | 340 | 637,202 |
| July | 258 | 477,503 |
| August | 26 | 48,724 |
| September | 48 | 87,774 |
| Total 9 months | 2,171 | 3,967,836 |

Complete statistics for October are not yet available.

(c) and (d) Basically No. 5 wheat.

EXTENSION OF MUNICIPAL LOAN FUND TO SCHOOL DISTRICTS

*Question No. 1,580*—**Mr. Cantelon:**

1. Has the government received representations from the Saskatchewan school trustees association requesting that local school districts be entitled to share in the benefits of the municipal development and loan fund under the terms of the agreement with the government of Saskatchewan for the control of disbursement of moneys?

*Questions*

2. Is the government prepared to change the regulations so that the benefits of the act may be extended to school districts?

**Mr. Benson:** 1. Yes.

2. The act and regulations do not exclude the possibility of extending the benefits that are available to school districts. Should a province wish this to be done in its case it should advise the municipal development and loan board accordingly. On receipt of such a request the board will recommend to the governor in council that school districts within that province be designated as municipalities under section 2(d)(i) of the act, provided they are incorporated bodies and have the authority to raise money by issuing debentures.

AKLAVIK, N.W.T.—ATTENDANCE OF SCHOOL CHILDREN ELSEWHERE

*Question No. 1,582*—**Mr. Rheaume:**

1. How many school age children from Aklavik, N.W.T. attend school hostels at other points in the N.W.T.?
2. How many of these children are in each of the following categories (a) grades 1 to 6 (b) grades 7 to 12 (c) vocational training (d) other?
3. What is the total estimated cost per year for transportation, maintenance and incidentals for these school children in each of the four categories in part (2) above?
4. Has the government any plans to establish a school-hostel at Aklavik, N.W.T., and, if so, when will this be done; if not, will the government look into the possibility and desirability of providing a school-hostel at Aklavik, N.W.T.?

**Mr. Laing:** 1. 61.

2. (a) 33; (b) 24; (c) 4; (d) nil.

3. (a) 42,009; (b) 30,552; (c) 5,092; (d) N.A.

4. Not at present; the situation is being kept under review.

APPLICATION FOR TRANSPORT LICENCE, YELLOWKNIFE, N.W.T.

*Question No. 1,583*—**Mr. Rheaume:**

1. Has the board of transport commissioners received an application from Frenchy's Transport Limited of Yellowknife, N.W.T., for a license to transport goods by water and, if so, when was this application received, and what decision has been made?
2. If no decision has yet been made, what is causing the delay, and when does the board estimate it will be in a position to reach a decision?

**Mr. McIlraith:** The Board of Transport Commissioners for Canada advise as follows:

1. Yes, on October 17, 1963. No decision has been made to date.

2. Other persons already providing transport facilities within the Mackenzie river watershed are entitled to file submissions with the board with respect to this application not later than November 22, 1963. Frenchy's Transport Limited is also entitled to make reply to such submissions. When these submissions and replies have been received, the board will be in a position to determine the matter.

[Mr. Cantelon.]

MAGNETISM SURVEY OF NORTH

*Question No. 1,584*—**Mr. Rheaume:**

1. What will be the total estimated cost of the magnetism survey of the Canadian north beginning next week?
2. What amount will be paid for the charter of aircraft?
3. What companies or firms will do the flying?
4. Were public tenders called for the charter of aircraft and, if so, which companies submitted bids, and what were each of these bids?

**Mr. Benidickson:** 1. $104,950.

2. Approximately $100,000.

3. Wardair Canada Limited.

4. No, but 19 companies reported by the air transport board as holding valid class A licences were invited to tender, and the company submitting the lowest tender was selected.

*REVELSTOKE NATIONAL PARK—SUPERINTENDENT'S RESIDENCE

*Question No. 1,586*—**Mr. Herridge:**

1. When was the residence of the superintendent of the Revelstoke national park built?
2. What is the total area of the floor space in this residence?
3. What was the total amount paid to the contractor for the construction of the residence of the superintendent of the Revelstoke national park?
4. What additional expense was incurred by the employment of park employees on further improvements to the basement rooms, etc. and for the material required for this work?
5. What amount has been paid to contractors or other persons for this residence since it was built?

**Mr. Laing:** 1. 1960-1961 (completed in May 1961).

2. 1,732 square feet.

3. $36,229.

4. Approximately $1,000.

5. $40. (est.).

CAPE BRETON HIGHLANDS PARK—VETERANS PREFERENCE

*Question No. 1,587*—**Mr. Muir (Cape Breton North and Victoria):**

Is veterans preference being observed in regard to the hiring of personnel for the winter works program at the Cape Breton highlands national park?

**Mr. Laing:** Yes, in conjunction with the preference which is given to heads of families who are in need of employment and who live in close proximity to the park.

LEGAL AND STATUTORY HOLIDAYS

*Question No. 1,589*—**Mr. Knowles:**

1. How many "legal holidays" are there in the year and what are they?
2. How many "statutory holidays" are there in the year and what are they?

**Mr. Chevrier:** The meaning of these expressions depends upon the context in which they are used. Legislative jurisdiction as to

holidays is divided between parliament and the provincial legislatures depending upon the subject matter and purpose of the legislation. Each may legislate with regard to holidays within its sphere of jurisdiction. Thus, the Interpretation Act of Canada defines holidays for the purposes of federal statutes and the interpretation act of Ontario defines holidays for the purposes of statutes of Ontario. Non-juridical days are set out in s. 43 of the Bills of Exchange Act. Days to be observed as holidays within the federal civil service are set out in s. 62 of the Civil Service Act. Days on which business may be transacted in provincial court and government offices depends upon provincial legislation.

BUTTER SURPLUS

*Question No. 1,596*—**Mr. Latulippe:**

1. What was the amount and the value of surplus butter in Canada for each of the last five years?
2. How much of the surplus butter was disposed of during each of these five years through sales or gifts to underdeveloped countries?
3. How much does the storage of this surplus butter cost?
4. How many pounds of surplus butter are stored in the province of Quebec?
5. What administrative costs are associated with this surplus butter?

**Mr. Hays:** 1. Agricultural stabilization board holdings of butter and butter oil as of March 31:

| Year | Butter lbs. | Butter Oil lbs. | Inventory Value $ |
|---|---|---|---|
| 1959 | 49,611,273 | Nil | 32,391,822 |
| 1960 | 64,578,932 | Nil | 42,256,010 |
| 1961 | 71,761,333 | 22,645,984 | 66,962,738 |
| 1962 | 67,767,096 | 78,032,698 | 112,311,843 |
| 1963 | 90,181,798 | 81,707,747 | 129,172,971 |

2. None.

3. Storage costs of butter purchased by the agricultural stabilization board were, by fiscal year: 1958-59, $1,602,906.04; 1959-60, $2,275,591.62; 1960-61, $2,863,277.79; 1961-62, $3,960,325.50; 1962-63, $4,422,361.24.

4. As of October 31, 1963—there were 95,131,064 pounds of butter and 46,856,448 pounds of butter oil held in storage in the province of Quebec.

5. Since officials of the dairy products division, Department of Agriculture, act as agents of the board for many of its operations, costs other than for storage and transportation cannot be segregated from departmental costs.

BAGOTVILLE, QUE., AIR FORCE BASE

*Question No. 1,599*—**Mr. Côté (Chicoutimi):**

1. What has been the total capital investment in the Bagotville air force base since its establishment?



*Questions*

2. What were the total operational costs of this military airport for the year 1962, including the pay and allowances of servicemen and salaries of the civilian personnel?

**Answer:** 1. $17,311,355.

2. Approximately $12,170,000.

BUTTER SUBSIDIES TO QUEBEC DAIRIES

*Question No. 1,600*—**Mr. Ricard:**

From the date of implementation of the policy guaranteeing a 12 cent subsidy per pound of butter designed to stimulate consumption of this commodity to March 31, 1963, what was the total amount of the subsidies granted by the government to the following dairy establishments: Theodore Jodoin, Saint-Theodore-d'Acton; Societe Cooperative Agricole, Saint-Hugues; Deslauriers & Frere Enrg. (Paul Jodoin), Saint-Liboire; Heliodore Parent, Sainte-Helene; Societe Cooperative Agricole, Saint-Simon-de-Ramsay; Robert-N. Chagnon, Saint-Dominique; Theodore Gevry, Saint-Pie; Societe Cooperative Agricole, Saint-Germain-de-Grantham; Hector Sylvestre, Saint-Germain-de-Grantham; Alfred Bernard, La Presentation; Les Produits Laitiers Val Maska Inc., Saint-Damase; Charles Benoit & Irenee Lariviere (locataires), La Presentation; Les Produits Laitiers Mont-Saint-Hilaire Ltee, 3100 rue Saint-Prosper, Saint-Hyacinthe?

**Mr. Hays:** An amount of $867,246.36 was paid to the dairy establishments listed from the date of implementation of the policy to March 31, 1963.

ASSISTANCE TO FRUIT GROWERS

*Question No. 1,605*—**Mr. Winch:**

1. During a fairly recent visit to the United Kingdom, did the Minister of Agriculture make any announcement relative to the government's plans to assist fruit growers?
2. Is legislation to be introduced to (a) provide insurance to growers against losses to their crops (b) renew attempts to find markets for the growers of fresh fruit, and (c) provide fruit farmers with long term loans?
3. When can the house expect these measures to be introduced by the government?

**Mr. Hays:** 1. No.

2. (a) The provision of crop insurance is the responsibility of the provinces. The Crop Insurance Act authorizes federal assistance to approved provincial insurance programs.

(b) The Departments of Agriculture and Trade and Commerce work closely with the fruit industry in the development of markets.

(c) Fruit farmers are eligible for long term loans under the Farm Credit Act.

3. Not applicable.

*OFFICE OF QUEEN'S PRINTER

*Question No. 1,609*—**Mr. Fisher:**

Will the personal office of the queen's publisher be established in the printing bureau and, if not (a) where is it to be located (b) are the offices being prepared (c) when did the preparations begin (d) when will the queen's publisher move there?

**Mr. Drury:** The creation of the post of queen's publisher and related changes are still under consideration.

*Questions*

CANADIANS IN UNITED STATES

*Question No. 1,610*—**Mr. Mather:**

1. How many Canadians left Canada to live in the U.S.A. during 1962?

2. Has the government an estimate of the number of Canadians and descendants now living in the U.S.A.?

**Answer:** 1. Immigrant aliens admitted to the United States, whose country of last permanent residence was Canada: Calendar year 1962, 47,579; Source: United States department of justice, immigration and naturalization service.

2. (a) Number of Canadian-born living in United States: United States census, 1960, 952,500; (b) Number born in United States of Canadian parentage: United States census, 1960, 2,228,551.

COST AID TO MCINTYRE PORCUPINE MINES LTD.

*Question No. 1,612*—**Mr. Peters:**

1. How much money was paid in cost aid to the McIntyre Procupine Mines Ltd. in the first nine months of 1962?

2. What was the increase in the amount paid in the same period in 1963?

3. To what extent is this increase in cost aid attributed to the labour dispute at their Castle subsidiary?

4. To what extent is the increase in cost aid attributed to the copper development at the Porcupine mine?

5. If substantial losses had not been encountered, would an increase in cost aid have been anticipated?

**Mr. Benidickson:** 1. The advances paid under the provisions of the Emergency Gold Mining Assistance Act to McIntyre Porcupine Mines Ltd. for each of the first three quarterly periods of 1962 are as follows: 1. $260,900.64; 2. $322,616.77; 3. $279,249.32.

2. The advances paid for the corresponding periods of 1963 are as follows: 1. $396,739.50; 2. $210,495.25; 3. None to date.

3. The operation of the company's Castle mine, which is a silver producer, is not related to the determination of assistance payable with respect to gold produced from the McIntyre mine.

4. The costs of producing copper are segregated and do not enter into the calculation of the amount of assistance payable on gold produced from the McIntyre mine.

5. The amount of assistance payable is a function of the cost of production of gold and the quantity produced. The profit or loss position of the operator is not involved in the calculation.

URANIUM—ADDITIONAL SALES TO U.S.

*Question No. 1,617*—**Mr. Starr:**

Have any agreements or other arrangements been entered into since the 10th of April, 1963, between Canada and the United States for the sale by Canada and purchase by the United States, or by private interests in that country, of additional amounts of Canadian uranium to the United States and, if so, on what date or dates, and what are the particulars thereof?

**Answer:** No.

FROZEN FOODS—FREIGHT RATE TO U.K.

*Question No. 1,623*—**Mr. MacLean (Queens):**

1. Is the government aware that the Canada-U.K. freight conference has stated that it will be increasing the freight rates by 26 per cent, effective January 15, 1964, on certain frozen food products shipped from Canada to the United Kingdom?

2. Has the government received any representations from the government of Prince Edward Island or from the frozen foods industry pointing out the detrimental effects such a freight increase would have on the frozen foods industry of Prince Edward Island?

3. Has the government taken any action which would lessen this detrimental effect on this important export industry?

**Answer:** 1. The announced increase in the freight rates on frozen French fried potatoes ranges from 21 per cent to 35 per cent over the existing rate. On frozen vegetables, new rates range from unchanged to approximately 12 per cent over the existing rate.

2. Yes.

3. A meeting between representatives of the frozen food processors and the Canada-United Kingdom freight conference is to be held in Saint John. Officials of the federal government will attend and it is anticipated that officials of the governments of New Brunswick and Prince Edward Island will also attend.

WHEAT AGREEMENTS

*Question No. 1,625*—**Mr. Horner (Acadia):**

On what dates were the last wheat agreements signed with each of the following countries: Great Britain, Germany, Japan, Poland, China, Czechoslovakia and Russia?

**Answer:** 1. The Minister of Trade and Commerce signed on behalf of the government long term wheat agreements with the following countries on the dates indicated: Poland, November 5, 1963; Czechoslovakia, October 29, 1963; Russia, September 16, 1963; Bulgaria, October 8, 1963.

2. With regard to the United Kingdom, Germany and Japan, the details of sales of wheat to these countries are a commercial matter between the Canadian wheat board and the country concerned, or an accredited export agent of the Canadian wheat board and an importer, and it is contrary to Canadian wheat board practice to reveal dates or any other information relating to such sales contracts.

3. With regard to China, the Canadian wheat board has negotiated two long term agreements with the China national cereals, oils and foodstuffs import and export corporation. These agreements are not firm sales contracts but rather a declaration of intent which

sets out procedures to facilitate the sale and purchase of wheat through subsequent individual sales contracts. The first long term agreement was dated April 22, 1961, and the second long term agreement was dated August 1, 1963.

MEETING BETWEEN PREMIER SMALLWOOD AND U.S. ATTORNEY GENERAL

*Question No. 1,627*—**Mr. Macquarrie:**

1. Were the good offices of the Canadian embassy at Washington utilized in arranging a recent meeting between the premier of Newfoundland and the attorney general of the United States?
2. Were such good offices requested?
3. Is the government aware that an affidavit has been filed with the United States securities commission declaring that at said interview the premier of Newfoundland attempted to halt a fraud case involving John Doyle of Canadian Javelin Limited?

**Mr. Martin (Essex East):** 1. The Canadian embassy was advised that Hon. J. R. Smallwood had arranged an interview with the attorney general of the United States in April and was requested to confirm with the attorney general's office that the premier of Newfoundland was proceeding to Washington for this interview.

2. Answered by the above.

3. The Canadian government is not aware that any such affidavit has been filed with the United States security and exchange commission.

AID TO UNDERDEVELOPED COUNTRIES

*Question No. 1,639*—**Mr. Matheson:**

In the last year of record, stated in American dollars, what was the per capita contribution in official aid to the underdeveloped countries from the following members of the organization for economic co-operation and development, namely: (a) France (b) United States (c) Germany (d) United Kingdom (e) Canada?

**Mr. Martin (Essex East):** Data in the following table relates to the calendar year 1962. Column one shows the magnitude of the net official flows to less developed countries, and includes all non-military grants in cash and in kind, as well as lending from official sources for maturities exceeding five years. The source of this information is the OECD report "Development Assistance Efforts and Policies." Population estimates for 1962 are derived from the OECD statistical bulletin.

| | U.S. Million | Thousands Population | $ U.S. Per Capita |
|---|---|---|---|
| France | 996 | 47,573 | 20.93 |
| U.S.A. | 3,606 | 188,062 | 19.17 |
| Germany (F.R.) | 427 | 55,074 | 7.75 |
| U. K. | 417 | 53,441 | 7.80 |
| Canada | 50 | 18,767 | 2.66 |

EXPORT CREDITS TO FOREIGN COUNTRIES

*Question No. 1,641*—**Mr. Matheson:**

1. Since the launching of Canada's export financing program in January 1961, what moneys have been loaned to what foreign countries (in the order of the volume of credit advanced) for the purchase of Canadian exports?
2. What percentage of said moneys was advanced to assist in the sale of Canadian machinery or manufactured goods?

**Answer:** 1 and 2.

Total of Export Credits Insurance Corp. financing authorized by orders in council as of November 12, 1963; (% thereof relating to machinery or manufactured goods).

| | |
|---|---|
| (i) Argentina | $15,334,000 (100%) |
| (ii) Brazil | $11,035,750 (100%) |
| (iii) Ceylon | $10,800,000 (86.2%) |
| (iv) Chile | $19,900,000 (80.4%) |
| (v) Israel | $2,300,000 (100%) |
| (vi) Liberia | $1,616,719 (100%) |
| (vii) Mexico | $56,692,937 (100%) |
| (viii) Pakistan | $12,351,000 (86.2%) |

Total moneys disbursed by Export Credits Insurance Corp. in respect of export transactions as of November 12, 1963; (% thereof relating to machinery or manufactured goods).

| | |
|---|---|
| (i) Argentina | $12,284,352 (100%) |
| (ii) Brazil | $2,557,800 (100%) |
| (iii) Ceylon | $450,000 (0%) |
| (iv) Chile | $11,467,328 (87.7%) |
| (v) Israel | Nil |
| (vi) Liberia | $280,907 (100%) |
| (vii) Mexico | $23,826,898 (100%) |
| (viii) Pakistan | $4,663,000 (90.8%) |

BROADCASTING—NAMES OF ARTISTS, WRITERS ETC.

*Question No. 1,643*—**Mr. Valade:**

What are the real names of all performers, commentators, newspapermen, writers, song writers, and others who received fees from the Canadian Broadcasting Corporation for their services under pen or stage names on television or radio from the beginning of 1955 to date?

**Mr. Pickersgill:** It may be questioned whether the expenditure required to produce an answer to this question could be justified

by any public interest which would be served, but any question relating to specific persons would be submitted to the Canadian Broadcasting Corporation for a reply.

CHRYSLER COMPANY TENDER FOR STAKE TRUCKS

*Question No. 1,648*—**Mr. Lambert:**

1. With reference to the replies to questions 1,500 to 1,556, what were the tender's specifications with respect to rear axle and rear springs of the vehicles the subject matter of the tender call?
2. In what way did the vehicles offered by the lowest tenderer not meet with these specifications, and what was the nature of the capacity deficiencies in the rear axle and rear springs of the vehicles offered by the said tenderer?
3. Did the vehicles offered by any of the other unsuccessful tenderers not meet the said specifications or capacity requirements, and in what way?

**Answer:** 1. It was a requirement of the specification that no axle or spring should be loaded greater than its rated load when the vehicle was carrying a payload of 8,000 pounds evenly distributed over the body floor.

2 (a) The capacity of the rear axle and rear springs of the vehicles offered by the lowest tenderer was not sufficient to satisfy this requirement of the specification. (b) The capacity of the rear axle was deficient by approximately 140 pounds. The capacity of the rear springs was deficient by approximately 640 pounds.

3. The capacity of the rear axles and springs of the vehicles offered by all other tenderers was sufficient to meet the requirements of the specification.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

ARMED FORCES ESTABLISHMENT

*Question No. 1,198*—**Mr. Douglas:**

What was the establishment by ranks and by services of navy headquarters, army headquarters, and air force headquarters on January 1, 1939, January 1, 1945, January 1, 1963, October 1, 1963, and what was the total strength, by services, of the armed forces on those dates?

Return tabled.

SERVICE CONTRACTS, CAMP GAGETOWN, N.B.

*Question No. 1,512*—**Mr. MacRae:**

1. What service contracts have been awarded for Camp Gagetown since April 1, 1963?
2. Who submitted the tenders and what was the amount of each tender?

Return tabled.

**Mr. Pickersgill:** Mr. Speaker, before you call notices of motions for production of papers I wonder whether I could have the consent of the house to revert to motions to table a couple of documents that have been requested.

**Mr. Speaker:** Does the house give consent?

[Mr. Pickersgill.]

**Mr. Jack McIntosh (Swift Current-Maple Creek):** Mr. Speaker, before we leave questions may I inquire with regard to question No. 1,164 appearing in my name under date of September 30. As I require up to date information and have not received an answer to this question yet, may I now change the date from September 30 to October 30?

**Mr. Frank Howard (Skeena):** Mr. Speaker, before consent is given to the minister I should like to raise a question of privilege with regard to one of the starred questions. If you would like me to do so now I will, or I am prepared to wait until we have finished with matters under motions. It is immaterial. My question of privilege involves starred question No. 1,349 in my name and starred question No. 1,316 in the name of the hon. member for Port Arthur, which question was answered today.

My question, No. 1,349, was filed a month ago tomorrow and it is a simple one. It reads:

What is to be site of the Canadian world exhibition?

The second part of the question asks when the decision was made to select this site, who made it and by what authority. So far no answer has been given to this question. Today the parliamentary secretary answered the question of the hon. member for Port Arthur, which reads in part as follows:

In the recent announcements by the Minister of Public Works that arrangements are completed for the construction plans for the access to the world's fair site—

And so on. Reference is made there to a site. Then the hon. member proceeds to elaborate on what he wants to find out. I submit it is within the knowledge of the minister what is to be the site of the Canadian world exhibition, and I cannot possibly understand his reluctance to answer such a simple, straightforward question, unless it is that the site for the Canadian world exhibition has been chosen contrary to the restriction placed in the statute setting up the Canadian world exhibition, and the minister and the government are embarrassed about answering this particular question.

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, may I say to the hon. member that unfortunately this question has been overlooked. At the first opportunity it will be answered with the greatest of pleasure.

**Mr. Howard:** Monday?

**Mr. Deschatelets:** Any time.

**Mr. Howard:** Right now?

**Hon. J. W. Pickersgill (Secretary of State):** I wonder if I might now renew my request to revert to motions for the purpose of tabling two orders for returns requested on several

occasions by the hon. member for Brome-Missisquoi for his enlightenment. I apologize for being unable to table the third return, but the government is awaiting the consent of the premiers of Manitoba and Saskatchewan, which is being urgently sought.

## MOTIONS FOR PAPERS

SECURITY PROCEDURES AND INVESTIGATIONS

*Motion No. 146*—**Mr. Knowles (for Mr. Orlikow):**

That an order of the house do issue for a copy of all correspondence received since January 1, 1963 by the Prime Minister and/or the Minister of Justice from organizations or individuals dealing with the problem of security procedures and investigations and the replies to same.

**Mr. Chevrier:** The motion is accepted subject to the usual reservations with regard to correspondence between ministers of the crown and interdepartmental correspondence and communications marked "personal and confidential". It is subject also to a reservation with regard to letters from or about named persons involved in any security investigation, since those communications must be regarded as confidential and it would not be in the public interest to disclose them.

Motion agreed to.

RESULT OF 1963 ELECTION

*Motion No. 154*—**Mr. Caouette:**

That an order of the house do issue for a return of the complete results of the general election in Canada on April 8, 1963, showing, for each constituency by provinces, the total votes cast for each candidate.

**Mr. Pickersgill:** Mr. Speaker, I owe the house an apology for the statement I made in respect to this motion when it came up the last time. I thought I was giving a completely accurate statement, and I was correct in saying that the information sought has to be printed, but under the statutes it does not have to be tabled. I was therefore quite wrong in saying the house would be ridiculous in passing this motion. I apologize for having done so, and I think the motion should pass.

Motion agreed to.

MCINTYRE PORCUPINE MINES—GOLD MINING ASSISTANCE

*Motion No. 156*—**Mr. Knowles (for Mr. Peters):**

That an order of the house do issue for a copy of all correspondence, reports, documents and replies thereto since January 1, 1961, between the McIntyre Porcupine Mines, Ltd., and the government of Canada or any of its departments, concerning matters related to cost aid paid under the Emergency Gold Mining Assistance Act.

**Mr. Benidickson:** This motion is accepted, subject to the usual reservations in respect of any correspondence that might be marked "personal" or "confidential".

Motion agreed to.

PUBLIC WORKS, JOLIETTE-L'ASSOMPTION-MONTCALM CONSTITUENCY

*Motion No. 158*—**Mr. Choquette:**

That an order of the house do issue for a copy of all correspondence received by the minister or any of the officials of the Department of Public Works in connection with all works carried out under the jurisdiction of the department in the constituency of Joliette-L'Assomption-Montcalm since April 1, 1958.

[*Translation*]

**Mr. Deschatelets:** We have no objection to accepting this motion. On the other hand, it is understood that personal and confidential correspondence is privileged material for the reasons I outlined in a similar case recently.

I do not think that I should table personal and confidential correspondence.

**Mr. Pigeon:** Mr. Speaker, in this connection I can say, in the first place, that a defeated candidate and a member should not be confused. Another point also, it rests with the minister to take his responsibilities and not with me.

**Some hon. Members:** Order.

**Mr. Choquette:** Mr. Speaker, the purpose of this motion—

[*Text*]

**Mr. Speaker:** Order. The motion is not debatable. If hon. members desire it can be transferred for debate.

[*Translation*]

**Mr. Deschatelets:** I would be pleased if that motion was transferred for debate.

**Mr. Choquette:** I rise on a question of privilege.

[*Text*]

**Mr. Speaker:** Order. Will the hon. member resume his seat. There is no debate on this motion. The motion is transferred for debate.

AGREEMENT ON CONSTRUCTION OF STEWART-CASSIAR ROAD

*Motion No. 159*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the agreement between the government of Canada and the government of the province of British Columbia and any amendments thereto relating to the construction of the Stewart-Cassiar road.

**Mr.Laing:** This is an agreement signed under the roads to resources program, and is tabled herewith.

Motion agreed to.

*Inquiries of the Ministry*

## UNITED NATIONS

DISCUSSIONS RESPECTING PALESTINE-ARAB REFUGEE PROBLEM

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs and ask him what is going on in the United Nations with respect to the unresolved Palestine-Arab refugee problem. What discussions are taking place, and what advance has been made toward a solution of this problem?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, as the Leader of the Opposition knows from his acquaintance with this problem, it is one that has been with us for some time. This does not mean that there is not the fullest appreciation of its seriousness. The matter continues to be the subject of discussion among countries concerned and among those countries which are assisting in the maintenance of the refugees. Canada is one of these countries. I can assure the Leader of the Opposition that discussions are going on both here and at the United Nations. Beyond this I can say nothing more at this stage.

**Mr. Diefenbaker:** Mr. Speaker, perhaps the minister might be able to enlighten the house and let us know whether there is any possibility now, in view of the discussions taking place at this very moment, of a breakthrough in regard to a problem that has continued for some 15 years.

**Mr. Martin (Essex East):** Mr. Speaker, I wish I were in a position to say there were some such indications, but I am not in a position to indicate that there is a breakthrough.

## LABOUR RELATIONS

SUPPORT OF U.S. UNIONS FOR HAL BANKS

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I should like to direct my question to the Minister of Labour. It arises out of press reports in all the newspapers this morning that the A.F.L.-C.I.O. are going to back the S.I.U. in their fight against the trusteeship in Canada and, in effect, support Mr. Hal Banks. I am wondering whether the minister could inform the house as to what action this labour organization in the United States intends to take, and whether there have been negotiations or consultations with the United States government to protect Canadian ships in United States ports.

**[Mr. Laing.]**

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, I have no report to make on the activities of a trade union meeting in the United States. I have read, as has my hon. friend, press reports with respect to the attitude that has been expressed there on this particular matter. Beyond that I have nothing to say, except that the situation in United States ports with respect to the harassment of Canadian shipping has eased considerably. Naturally the Secretary of State for External Affairs is keeping in close touch with the situation.

[*Later:*]

**Hon. Michael Starr (Ontario):** Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of his assertion in Windsor last week to the effect that he has been in constant touch with the United States state and labour departments regarding the boycotting of Canadian ships, and in view of the statement made by Mr. John W. Leslie, the United States deputy assistant secretary of labour, who said they had no knowledge of such consultations or of any planned action, I wonder whether the minister could advise the house what is the true situation in this matter.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, my attention has not been directed to the statement mentioned by the hon. member. I had discussions on this matter yesterday in Ottawa with our ambassador to Washington, and this statement was not mentioned. However, I will look into the matter further.

## DOMINION-PROVINCIAL RELATIONS

FEDERAL PREPARATIONS FOR COMING CONFERENCE

On the orders of the day:

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I would like to ask a question of the Minister of Finance. Will the minister assist the next federal-provincial conference in Ottawa at the end of November and will he be ready to face the requirements of the province of Quebec regarding new fiscal arrangements; and are the advisers of his department—

**Some hon. Members:** Order paper.

**Mr. Gregoire:** —getting ready for these requirements?

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I think all I can say in reply to that question is that the government is preparing very assiduously for the forthcoming conference which, as the Prime Minister said yesterday, we hope and we expect will be a great success.

I would, while I am on my feet, like to reply to the question asked yesterday by the hon. member for Labelle—

**Mr. Gregoire:** Mr. Speaker, I would like to ask a question that is supplementary to the question I just asked. Will the minister state at this point the actual policy of the government in the next federal-provincial conference?

**Mr. Speaker:** This question is out of order.

**Mr. Gregoire:** Why?

QUEBEC—REPORTED AMOUNT OF PAYMENTS FROM FEDERAL TREASURY

On the orders of the day:

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, perhaps I may now answer the question that was asked yesterday by the hon. member for Labelle (Mr. Girouard). According to the press reports, Premier Bennett is alleged to have stated that these equalization payments are in fact subsidies. He went on, I think, to say that only Ontario and British Columbia contribute more than they get back from the federal government. The estimated equalization payments to the provinces for the fiscal year 1963-64 are as follows: Alberta, $1,546,000; British Columbia, nil; Manitoba, $12,033,000; New Brunswick, $16,302,000; Newfoundland, $14,521,000; Nova Scotia, $19,422,000; Ontario, nil; Prince Edward Island, $3,147,000; Quebec, $69,539,000; Saskatchewan, $23,174,000.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Gerard Girouard (Labelle):** Mr. Speaker, my question is directed to the Minister of Finance. I hope he will excuse my ignorance. He said a while ago that Quebec received $69 million in grants. Now, I refer to the statement by Mr. Bennett that Quebec had received $69 million more than it had paid into the federal treasury. Would this mean that Quebec received $69 million more than all the taxes paid to the federal government?

Does the minister understand my question correctly?

Mr. Bennett said that Quebec received $69 million more than what it paid into the federal treasury. Is that correct?

[*Text*]

**Mr. Gordon:** Mr. Speaker, I did not read the reports of what Mr. Bennett said in that way. The total taxes collected from citizens of Quebec by the federal government would certainly exceed $69 million.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Jean-Pierre Côté (Longueuil):** I should like to ask the Minister of Justice a question. Could he tell the house whether his department intends to hold an investigation in order to find out who is telling the truth, Mr. Bennett, premier of British Columbia, who said that Quebec receives $69 million from the federal government or the Creditiste hon. member for Villeneuve (Mr. Caouette), who claims that Quebec pays $640 million more than what it receives from the federal government?

[*Text*]

## EXTERNAL AFFAIRS

CUBA—INQUIRY AS TO SITUATION OF ARRESTED CANADIAN CITIZENS

On the orders of the day:

**Mr. J. H. Addison (York North):** Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Last Thursday the hon. member for Red Deer directed a question to the Minister of Justice, in the absence of the Secretary of State for External Affairs, with regard to the two Canadians held in Cuba. I wonder whether the minister would like to make a more complete statement at this time with regard to these two gentlemen.

**Some hon. Members:** Order paper.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Canadian government takes a serious view of the situation of these two prisoners. Later this afternoon I hope to see the Cuban ambassador, and our ambassador in Havana is endeavouring to see the Cuban foreign minister this afternoon. We are anxious to know the nature of the charges. We are anxious to make sure that the trial takes place under procedures that will command the belief that full justice will be accorded the prisoners. Beyond this I do not think it is desirable for me to say anything further at this time.

PAKISTAN—CANADIAN AID IN IMPROVEMENT OF DEFENCE FORCES

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to refer to a question I asked the Prime Minister two or three days ago, on which he said he would get further information. Has the Prime Minister any further information to give the house about whether the government of Canada is giving assistance to the improvement of the defence forces of Pakistan?

*Inquiries of the Ministry*

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Prime Minister has asked me to deal with this question, which I think was raised by the hon. gentleman on November 8. The government of Pakistan has not informed the Canadian government of any request it wishes to make of Canada in this regard, and accordingly no provision has been made.

[*Later:*]

**Mr. Martin (Essex East):** Mr. Speaker, so there will be no misunderstanding may I say to the hon. member for Kootenay West that there has been no request for military assistance. The only request which has been made was for the provision by Canada of a technical expert to assist the Pakistani government in the matter of its science research program.

## SHIPBUILDING

PROTESTS RESPECTING CANCELLATION OF FRIGATE PROGRAM

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to ask the Minister of Transport whether he has a statement to make to the house or whether he could report to the house on the talks he and other members of the cabinet had yesterday with a delegation of shipyard workers from the province of Quebec who came to Ottawa to protest the cancellation by the government of the frigate program.

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I have no prepared statement to make on the subject, but I am glad to advise the house that I met with the delegation of about 40 persons representing the shipbuilding yards in the province of Quebec. I discussed with them rather fully the shipbuilding program, and particularly the shipbuilding program in relation to prospective employment in the yards, that is to say the time when certain shipbuilding contracts would go to tender and when the construction would take place in terms of employment in the yards.

It was quite a thorough, and at least for my part, satisfactory discussion with these workers.

**Mr. Balcer:** As a supplementary question I wonder if the minister could tell us whether he indicated to the delegation the building of any new ships for the Department of Transport which were not already included in the estimates for 1962-63 or 1963-64.

**Mr. McIlraith:** I used as a basis for discussion the statement I made in the house, and we discussed in particular the program for departmental ships disclosed in that statement. The different dates were indicated in the statement, and I pointed out the expected time of tender calls. I also made reference to some commercial vessels, construction of which I expect will be started very shortly. I should add, however, that with respect to these commercial vessels the government has no direct or immediate control over them when they go to tender.

[*Later:*]

**Mr. Robert Muir (Cape Breton North and Victoria):** May I direct a question to the Minister of Transport. I should like to ask him whether his department, under this government, is going to institute a program of shipbuilding in this country. To clarify the situation, I mean one which has not been initiated and already announced by the previous government.

**Mr. McIlraith:** At the moment, Mr. Speaker, the government has been continuing the shipbuilding subsidy program initiated by the former government. The government has sought to clarify the policy and has regularized the provision of funds to meet the commitments and has brought about an orderly program, but substantially it is following the subsidy program laid down by the former government. On that point, when any changes of policy are to be made they will of course be announced in the usual way.

**Mr. Muir (Cape Breton North and Victoria):** A supplementary question. Am I to understand from the minister that there is no new program instituted by this government?

**Mr. McIlraith:** No, Mr. Speaker.

## INQUIRIES OF THE MINISTRY

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I have a question for the Prime Minister. In view of his institution yesterday of a policy of public confession of his shortcomings, would he provide a forum for true confessions to the house by some of his colleagues?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the preamble to that question indicates that no reply is expected.

[*Translation*]

**Mr. L. P. Antoine Belanger (Charlevoix):** Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Could he give us the names of the 14 members on the government side who have signed a petition asking the government to apply Social Credit theories, as the hon. member for Red

Deer (Mr. Thompson) is reported to have said in New Westminster, British Columbia?

[*Text*]

**Mr. Pearson:** Mr. Speaker, the list may well have been mythical. Therefore I could not give the names on it.

**Mr. Diefenbaker:** Maybe it is some of those who voted for debt free money in October.

## NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the Quebec government requested another meeting with the minister to consider the possibility of transferring the jurisdiction over the Eskimos of new Quebec to the government of the province of Quebec?

[*Text*]

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, I have received a letter from Hon. Rene Levesque suggesting we meet with him to discuss the setting out of some basis for discussions at a meeting to be held on November 19.

EMERGENCY MEETING OF NORTHWEST TERRITORIES COUNCIL

On the orders of the day:

**Mr. Gene Rheaume (Northwest Territories):** Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Is the minister able to confirm reports that all members of the Northwest Territories council have been summoned to Ottawa for a special emergency meeting beginning Monday and, if so, can he give the house any further information?

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** Mr. Speaker, I do not want to presume to interfere with the duties of the Northwest Territories council. However, in the light of the probability that the legislation that is before us, which would extend their tenure of office, may not pass the house in time for them to continue, the commissioner for the Northwest Territories suggested to me that he would feel much happier with a meeting of the council in Ottawa, to arrange, among other things, for supply of the necessary services beyond the date of expiry of the powers of the council. When this was represented to me in such form I approved his suggestion that the council be called.

## DEFENCE PRODUCTION

QUEBEC—COMPLAINTS RESPECTING TREATMENT OF ARSENAL EMPLOYEES

On the orders of the day:

[*Translation*]

**Mr. Robert Beaule (Quebec East):** Mr. Speaker, I would like to direct a question to the Minister of Defence Production. Can the minister inform the house whether he is aware of the treatment which has befallen for some time the employees of the Val Cartier arsenals, near Quebec city?

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, I shall take the question of the hon. member as notice.

[*Text*]

## TRADE

TOBACCO—INQUIRY AS TO REPORTED SALE TO JAPAN

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Has the Japanese tobacco monopoly decided to purchase a large quantity of Canadian tobacco and, if so, what is the amount of money involved?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, may I take this question as notice.

BUTTER—REQUEST FOR STATEMENT AS TO SALES

On the orders of the day:

**Mr. A. D. Hales (Wellington South):** Mr. Speaker, my question is directed to the Minister of Agriculture. Could the minister advise the house concerning the proposed sale of butter or butter oil to Great Britain and other countries?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I think as of the present moment we have been able to sell something in the neighbourhood of 21 million pounds of butter and butter oil. This is still being offered and there is considerable interest.

## FISHERIES

NOVA SCOTIA—INQUIRY AS TO SURVEY OF STORM DAMAGE

On the orders of the day:

**Mr. Gerald A. Regan (Halifax):** Mr. Speaker, I would like to direct a question to the Minister of Fisheries. Is the Department of

Fisheries investigating the large losses suffered by fishermen along the coast of Halifax county, and elsewhere in Nova Scotia, as a result of damage to their equipment by hurricane Ginny?

**Hon. H. J. Robichaud (Minister of Fisheries):** Mr. Speaker, I wish to advise the hon. member that a survey is being made by officials of my department in order to determine the extent of the damage done to fishing boats and gear by hurricane Ginny in the area mentioned.

## ADMINISTRATION OF JUSTICE

### REQUEST FOR PROGRESS REPORT ON JUVENILE DELINQUENCY COMMITTEE

On the orders of the day:

**Mr. Thomas M. Bell (Saint John-Albert):** Mr. Speaker, may I direct a question to the Minister of Justice. Could the minister inform the house what progress the committee on juvenile delinquency is making in his department?

**Hon. Lionel Chevrier (Minister of Justice):** Well, Mr. Speaker, I must say that I have received a number of reports and representations having to do with the amendment of the act. They are under consideration and I trust it will be possible, in the not too distant future, to bring in legislation to that effect.

### HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I would like to direct a question to the Minister of Justice. Did Hal C. Banks have leave of a competent court to leave the jurisdiction and go to the U.S.A. when he was on bail in reference to a pending indictable offence?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I would have to take that question as notice.

## TRANS-CANADA AIR LINES

### RECOMMENDATION RESPECTING PURCHASE OF NEW PLANES

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I would like to ask a question of the Minister of Transport. It has been asked before but it has more urgency now because of an interprovincial and intercity row that seems to be brooding. When can he tell us the decision by T.C.A. regarding the plane that they are going to purchase, and what the government's policy is with regard to T.C.A.'s wish?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I should hope to be able to satisfy the hon. gentleman very soon.

**Mr. Fisher:** As a supplementary question, Mr. Speaker, I would like to ask the minister whether he is responsible for the information that has been released and that has been accepted across the country, that T.C.A. has asked for and wishes to purchase the DC-9?

**Mr. McIlraith:** I am afraid in this instance I have been responsible for none of the information that has appeared in the press on the subject.

## SUGAR

### MEMBERSHIP OF CANADIAN REFINERIES IN INTERNATIONAL COUNCIL

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce based on a matter arising from last night's debate on the grievance. A statement was made by the hon. member for Burnaby-Coquitlam to the effect that three different sugar refineries had been fined $75,000. The Minister of Trade and Commerce later stated that the international sugar council of New York had been giving reports as to the present sugar situation. Are the three different Canadian refineries which were mentioned yesterday also members of this international council?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** No, Mr. Speaker.

### PROTECTION OF CANADIAN PRODUCERS IN LONG TERM AGREEMENTS

On the orders of the day:

**Mr. W. H. A. Thomas (Middlesex West):** Mr. Speaker, I should also like to direct a question to the Minister of Trade and Commerce. In view of the minister's statement last evening concerning the possibility of Canada entering into long term sugar agreements, can the minister assure the house that the interests of our sugar beet producers and those connected with these producers will be adequately protected?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** I can give that assurance, Mr. Speaker.

## BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—ABOLITION OF TOLLS

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, my question is for the Minister of Transport. Does he propose to recommend abolishing tolls on the Champlain bridge, in Montreal, as it was promised during the Liberal election campaign?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, the intentions of the government will be made known in due course.

[*Later:*]

[*Translation*]

**Mr. Valade:** Mr. Speaker, my question is for the Minister of Transport. It is a supplementary question following the minister's answer a moment ago.

I am asking the minister whether he could not assure the house that his government intends to consider the question of abolishing tolls on the Champlain bridge before the next session, considering the importance of giving the city of Montreal the necessary bypass roads during the work carried out on St. Helen's island for the world exhibition, as the situation is creating rather serious bottlenecks.

I am asking the minister whether he could give the assurance to the house that the matter will be considered before the next session.

[*Text*]

[*Later:*]

**Mr. Valade:** Mr. Speaker, on a point of order, I directed a question to the Minister of Transport, and then the Secretary of State for External Affairs got up to answer a previous question. I should like the Minister of Transport to reply to my question, which was very simple.

**Mr. Pigeon:** Yes or no.

## BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO STARRED QUESTIONS ON ORDER PAPER

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I have a question for the Secretary of State in his capacity as house leader. I should like to ask the Secretary of State whether he could make an effort to have the starred questions on the order paper answered as quickly as possible; there are quite a number there. I believe the intention of a starred question is that members can get a fairly quick answer to a reasonably simple question.

**Hon. J. W. Pickersgill (Secretary of State):** I will be very glad to do so, sir. I notice there is one dated October 9, and that does seem a rather long time.

## GRAIN

EXTENSION OF POWERS OF COMMISSION TO EASTERN PROVINCES

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Is it the intention of the government to extend the power of the Canadian board of grain commissioners from the western provinces to the eastern provinces, without having it stopping at the lakehead?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, this matter is not under my jurisdiction.

**Mr. Langlois:** Then would the Minister of Agriculture tell me whose department it is under? I will direct my question then to the Minister of Trade and Commerce.

## INCOME TAX ACT

**Hon. Walter L. Gordon (Minister of Finance)** moved the third reading of Bill No. C-95, to amend the Income Tax Act.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I do not propose to speak at length on this question. The official opposition has taken the strongest exception to the manner of approach to United States investment in Canada. We have stated that the tax on dividends paid by corporations not having a degree of Canadian ownership does not meet the situation, and in its present form it is detrimental to investment in our country. However, having opposed these particular sections of the Income Tax Act and the other parties having generally given them support, there is no purpose in going over the ground again.

This is the last stage in the budget, a matter which goes back many months. It was a budget that was jerry built and has not stood up. After the budget was introduced there was a general demand for the removal of the Minister of Finance, but the government decided to get out of the budget practically completely and hold on to the minister. On the basis of what remains of the budget one can understand the description that was

given to the Canadian economy; "a rudderless mess". There was the budget of a few months ago. The promises which were made have not been carried out. My mind goes back to 1961 when the then leader of the opposition, now the Prime Minister (Mr. Pearson) set out a financial and fiscal plan for Canada which was to be the salvation of the finances of this nation. He proposed four fiscal measures. The first of these was a temporary reduction in the rate of income tax. That was the promise made by the Liberal party in 1961. Instead of any reduction, the Canadian people today are being taxed approximately $250 million more than was the case when the present government came into office. Hon. gentlemen opposite said they would amend the Income Tax Act in this regard. They have done nothing to carry out this undertaking and their failure to do so cannot be explained on the ground that there is a deficit this year. When the undertaking was made in 1961 there was also a deficit, and the attitude then of the Liberal party was that there would be a reduction of income tax.

The second undertaking was that they would proceed to increase vocational training assistance. We have no quarrel with that, because it formed part of our own program. I believe, in this connection, the government should give consideration to encouraging adults to continue their education in part-time or night classes by allowing them to deduct tuition costs and expenses under the income tax. There are many thousands across Canada who today are attending night schools and there are many more who would attend if encouragement were given. Indeed, I think one of our primary purposes must be to expand and enlarge the vocational training plan which we brought into effect, so as to ensure that those who are middle aged and who wish to continue their education may have an opportunity to do so. At the same time, those who are younger in years and who desire to further their education by attending night schools should be entitled to the same deduction as if they were attending day schools.

The next proposal was a renewal program to be broadened and increased in the field of urban development. Finally, as part of the long term policy of the Liberal party, there was the medical health plan. This was the program of 1961 and 1962.

If we are to encourage the expansion of our country—and, at that time, the prime minister of the day said this was a necessary course to take—then tax cuts are necessary. But in place of carrying out the undertaking which was then given, the government has added extra burdens upon the people. In particular, I refer to the 11 per cent sales tax on building materials and production machinery, a tax which should never have been imposed. Today, the rate of 4 per cent is in effect, and will be to the end of this fiscal year. I think there should be an immediate announcement made that the government will not press for the increase but will freeze the tax at the present rate. To sum up, the promises of 1961 in connection with income tax have followed the course of so many other promises which were made: they have not been carried into effect. Indeed, as far as taxation is concerned, instead of a reduction there has been a marked increase.

This is the background material. It indicates that the government has failed in the budget, or in what remains of the budget, to carry out the undertakings which were given. Having asked for reductions in taxation to meet the situation that exists in our country, following the lead of the United States in that regard in the message to congress by the President, I now come to one matter to which I should like to direct the attention of the house, and I intend to confine my remarks to it. It has to do with the subamendment which was accepted by the government last night. Its acceptance indicated a change of attitude on the part of the government. We had, from time to time, been demanding that there should be full consultation concerning all those matters which fall within the provincial arena. That has not been the attitude taken by the government, or the course which it has followed. The motion last evening was in the following terms:

> That this house urges the government to carry out more fully the spirit of co-operative federalism and to consult with the provinces before announcing or undertaking programs which fall to any extent within provincial jurisdiction.

I do not intend to go into the circumstances surrounding the somersault last evening or the trickiness of the government's move. I shall accept it not as a tricky move designed by the Secretary of State (Mr. Pickersgill). I intend to regard it as a conversion. I am going to regard it as a change of attitude, and I think that is the fairest interpretation one could place on it. A review took place last evening of previous occasions when a similar course was followed, but there never was an occasion in Canadian history when a government, realizing it was facing a vote of want of confidence, decided, because it feared the result, to accept an amending motion. It simply means that from now on, however an amendment of non-confidence is moved, the government can say: we have more confidence than we think the opposition would have, and this being the case we are prepared to support the amendment in order to save ourselves.

They will never hear the last of their vote last evening.

**Mr. Pickersgill:** I rise on a point of order. Maybe we shall never hear the last of it, but perhaps we should hear about it when it is in order to refer to it. The debate now is on the motion of the Minister of Finance (Mr. Gordon) for the third reading of the income tax bill. The prime minister is now seeking—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** Mr. Speaker, that was worth doing, to give the ex-prime minister the first moment of real pleasure he has had since he left that office. For the last few minutes the former prime minister has been seeking to say all those things he was not bright enough to think of in the debate last night.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** Mr. Speaker, I rise on a question of privilege.

**Some hon. Members:** Order.

**Mr. Deputy Speaker:** Order.

**Mr. Diefenbaker:** There is no point of order in what is being said.

**Mr. Pickersgill:** You are not the Speaker.

**Mr. Deputy Speaker:** Order. I wonder whether the Secretary of State is going to raise a point of order.

**Mr. Pickersgill:** Yes. My point of order is that it is contrary to the rules of the house to revive a debate on a question that has been settled. This question was settled not by one vote but two votes last night, in one of which the hon. gentleman voted one way and then on the identical motion voted the opposite way.

**Mr. Diefenbaker:** No.

**Mr. Pickersgill:** He has no right under the rules to take up the time of the house today in reviving that debate when we should be debating the income tax bill, and I suggest, sir, that the right hon. gentleman, like the rest of us, be asked to abide by the rules of the house.

**Mr. Starr:** Mr. Speaker, I also rise on this point of order. I have listened very attentively to the point of order raised. In addition to bringing up a point of order the Secretary of State, as usual, is debasing parliament, bringing in partisanship and doing more damage to the House of Commons than anyone else in the house.

**Some hon. Members:** Hear, hear.

**Some hon. Members:** Oh, oh.

**Mr. Byrne:** Mr. Speaker,—

**Some hon. Members:** Sit down.

**Mr. Byrne:** —the Secretary of State is quite correct. The Leader of the Opposition is out of order under standing order 35.

**Mr. Ricard:** The situation is becoming darker and darker now.

**Mr. Byrne:** I will read the relevant citation. Citation 149 in Beauchesne, fourth edition, reads as follows:

> Besides the prohibitions contained in standing order 35, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:—
> (k) reflect upon the past acts and proceedings of the house.

After all, Mr. Speaker, it was only last night that this matter was discussed.

**Mr. Deputy Speaker:** On the point of order raised by the Secretary of State, may I say I am sure the Leader of the Opposition knows that he should limit himself as much as possible to what is contained in the bill which is now before the house for third reading.

**Mr. Diefenbaker:** Mr. Speaker, I could not be more in agreement with you. I point out that the Secretary of State chose a phony point of order in order to make statements that are completely without foundation.

**Some hon. Members:** Oh, oh.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** This shows that the guilty conscience for last night's damage to parliament rests with him and that he feels a sense of deep guilt.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** What I was trying to do in a perfectly unprovocative way was to lead up from last night's conversion. I want to know whether or not it is just one of those one-night conversions or whether it is going to be reasonably permanent—because there are two kinds, those that last while the hallelujah chorus is being sung—

**Mr. Pickersgill:** Ask Alvin.

**Mr. Diefenbaker:** —and those that last while there is fear that condemnation is about to come. These deathbed repentances do not often last long. However, I am taking it for granted that last night's was not a deathbed repentance, that it was more than a piece of trickery and that it actually means a change in the attitude of the government.

Believing that, I am going to give the opportunity to the members of the government and its followers to support an amendment I am about to move.

**Mr. Knowles:** Are you jealous?

**Mr. Diefenbaker:** I hasten at once to say that I do not want the government to be frightened, and while we will not consider the amendment as a vote of non-confidence, we will also look upon it as a vote of confidence on the part of members supporting the government, as in the vote they gave last evening.

I am referring particularly to the question of designated depressed areas. For a long period of time various members of the official opposition, the hon. member for Wellington South (Mr. Hales), the hon. member for Waterloo North (Mr. Weichel), the hon. member for Oxford (Mr. Nesbitt), the hon. member for Peterborough (Mr. Stenson), the hon. member for Grey-Bruce (Mr. Winkler), the hon. member for Prince Edward-Lennox (Mr. Alkenbrack) and the hon. member for Acadia (Mr. Horner), have pressed on the government the necessity of there being consultation with the provinces before there is designation of a particular area or municipality as a designated area. In this regard I am going to look for support from the hon. member for Red Deer (Mr. Thompson). I refer him to his speech of November 6 as found on page 4474 of *Hansard* in which he stated in effect that there should be consultation. He said:

> Certainly you have the provincial government to which these local governments are responsible. How much more effective it would be if these governments were consulted, if they were allowed to express their opinions on this.
>
> I am in favour of this amendment for two reasons, and one is that the consultation aspect of government must be continually protected and preserved. It is only in this way we can get the full co-operation not only of local governments but also of people in industries and commercial enterprises in these communities. This applies even to the provincial governments because, after all, our municipalities are responsible to them.

The hon. member often speaks of the need to be consistent. I was interested today, Mr. Speaker, when somebody asked who were the 14 Liberal members of whom he spoke who had signed a petition on behalf of Social Credit. I could only decide that some of those that voted for debt free money in November, 1961, took their vote at that time seriously.

**Mr. Knowles:** It was 1962.

**Mr. Diefenbaker:** But I am asking now for the support of this hon. gentleman. The hon. member for Lapointe (Mr. Gregoire) also made a very clear and definite statement in this regard. As found on page 4475 of *Hansard* for November 6, he said:

> —if the hon. member who introduced this amendment—

He is referring to the amendment introduced by the hon. member for Wellington South.

> [Mr. Knowles.]
>
> —would replace the word "municipality" by the word "province", then the amendment would be not only acceptable but desirable. It would follow that the federal government would no longer have to deal with the municipalities but only with certain provincial governments. That would relieve the federal government of extra work, difficulties and problems.

Then, I call my next witness, the present Prime Minister who, while he was leader of the opposition, spoke on this subject on March 20, 1961. At that time he said there should be a six point program for these areas of chronic and serious unemployment. I quote from page 3137 of *Hansard* for that date:

> An area rehabilitation agency should be set up within the federal government to implement in co-operation with provincial and local authorities, an over-all program of economic assistance to the depressed areas of our country.

Now, Mr. Speaker, that statement of policy made by the present Prime Minister on March 20, 1961, coupled with the views expressed by the leader of the Social Credit group and the hon. member for Lapointe (Mr. Gregoire), as well as the unanimity last night on the part of government members concerning the need for consultation, makes one begin to see that today, on third reading of this measure, we are faced with the need for taking the first step along the line of full consultation with the municipalities through the medium of these provinces. This was the attitude taken by the hon. member for Ontario (Mr. Starr) when he was minister of labour. He discussed these matters. He was able to bring in a winter works program which was operative because he had co-operation.

Now, sir, there have been areas that have been designated that have not been too well pleased with the designation. Brantford is one such place. I understand, from the explanation that was given, how it came to be chosen, but it is also well to remember that the mayor said he could not understand it. Apparently he lost sight of the fact that one of the ministers of the government, the Hon. Senator Macdonald, represented that area.

**Some hon. Members:** Shame.

**Some hon. Members:** True.

**Mr. Diefenbaker:** This is just a circumstance. I do not know why anyone should be disturbed over that. The fact is he was.

I want to speak now of the change that has taken place in the thinking of hon. members opposite. When we were asking for consultation when this measure was introduced to designate areas, the answer we received was in the negative. On October 2, as recorded on page 3125 of *Hansard* I asked the Minister of Labour a question. If I leave out the unnecessary words it was in effect; before a

municipal area is designated as a distressed area in order to qualify, are the officials of the municipality consulted? The answer by the Minister of Labour, in part, was as follows:

> We felt as a government that, given the opportunity, we ought to take responsibility, as we said we would do, for areas which ought to be given special assistance, not to do as the former government did and ask the municipality to come forward and make an application.

So, they went ahead and decided that there would be no consultation with the provinces. We asked for this, and yet no municipality was given the opportunity. We consulted with the municipality, but this government decided not to do so. This has been one of the major shortcomings in this particular piece of legislation up to this moment.

Yesterday the principle was accepted, finally, absolutely and unanimously in this house. The motion was not regarded as in the nature of a non-confidence motion. The principle of the fullest consultation was accepted, it being essential where there is any interest of the province or municipality, before and not after decisions are taken. In this way the support of these bodies would be enlisted, and without that support, as the hon. member for Ontario has said, it will be very difficult to make this program succeed. We have tried over and over again to get the government to accept the idea of consultation, not to designate an area until that area has been consulted, through the medium of the provinces if you will. The answer in every case has been that it is unnecessary.

Last evening the Minister of Finance (Mr. Gordon) joined with those sitting around him, all the ministers of the cabinet, in accepting the principle we have been advocating. In other words, the principle is now accepted by the government. Having been accepted, what could be more reasonable than that an opportunity be now given so that the government and its members may, within 20 hours after this great declaration of change on the part of the government, vote on the very thing for which they voted last evening in that subamendment which they accepted. I am sure that this idea will have a widespread appeal to the members supporting the government. I make it very clear, and I do not want any misunderstanding, that this is not a vote of non-confidence that I am now moving. This is simply a means of giving to the government the opportunity to carry out that for which they voted last night, that which they condemned for several months as unnecessary when the hon. gentleman to whom I have referred over and over again pressed for the need for consultation with the municipality.

I want to give the fullest opportunity not to have directions given by the governor in council under the Department of Industry Act without consultation. Section 9 of that act reads:

> The governor in council may designate as a designated area for the purposes of this act any district or locality in Canada that is determined to require special measures to permit economic development or industrial adjustment by reason of the exceptional nature or degree of unemployment in that area.

The bill before us is one that contains no reference whatever to consultation. We have tried from the very beginning of this debate to bring about amendments, but they have been defeated. Let the past bury its dead. The members of the government voted against the amendment moved by the hon. member for Wellington South (Mr. Hales) and other amendments that were proposed in this connection. However, they did so b.c., that is, before conversion which took place on November 12. I am asking today the opportunity for those who stood up last evening and supported this great principle, which is a necessary principle for confederation, to give this assurance that there shall be no abrogation of provincial jurisdiction.

Now I ask, is it not proper and appropriate, with the change just behind them, with the warmth of their sudden conversion still on their cheeks, that they now have the right, as they should have, to carry out the great and abiding principle of confederation that received unanimous support in this house last night. It just shows that out of evil may come good; out of fear may come principle; out of victory has come survival. Now, sir, so that the house will know what the amendment is, I will read it. I will make some further references to it, if I may, later on. This amendment is seconded by the hon. member for Waterloo South (Mr. Chaplin), and if I may interpolate here, I am sure the house as a whole will be glad to see him back.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** He has been seriously ill for months and is back in the house today. His heart must be warmed by the kindliness of the reception of all hon. members in all parts of the house. That is one thing about the House of Commons: whatever our division and however strong and bitter sometimes our disagreements, it is surprising the degree of camaraderie that prevails, without which democracy could not be preserved under the parliamentary system. I thank hon. members opposite for their reception to the return of this member to the house.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** Sir, I would now return to the amendment, which is:

That this bill be not now read the third time but be referred back to the committee of the whole with authority to add after paragraph 71A, subsection 1(b) the following words; that is to say: "providing that the municipal authorities with jurisdiction over the area in question, through their respective provincial governments, have requested the governor in council to have such area so designated".

If I may proceed before Your Honour places it before the house, I would again emphasize that this will in no way be construed as a vote of non-confidence. I want to re-emphasize that.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** I go further than was gone last evening in that connection, because I know the avidity with which they will accept the amendment, which will translate into actuality the theories of last night. As a result of the change made, the reading of the section would then be:

"designated area" has the meaning given to that expression by the Department of Industry Act, providing that the municipal authorities with jurisdiction over the area in question, through their respective provincial governments, have requested the governor in council to have such area so designated.

I do not want to say any more. It is a great opportunity for parliament to speak. There is no question at all of there being any lack of confidence and the government accepting this amendment. The acceptance of it will be exhibit A for all time to come as to the integrity with which the government members last night accepted with such avidity the subamendment.

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, you may wish a little time to decide whether this amendment is in order.

**Some hon. Members:** Oh, yes.

**Mr. Gordon:** But perhaps while you are considering that question, if I am permitted to make a few remarks I would certainly like to join the Leader of the Opposition (Mr. Diefenbaker) in welcoming back to the house the hon. member for Waterloo South (Mr. Chaplin) who has many friends on both sides of the chamber. I trust that in view of the rather wide range of matters touched on in the extensive remarks of the Leader of the Opposition I may have a little more licence than usual in what I have to say to begin with, before I get down to the particular matter on which the Leader of the Opposition concentrated at the end of his remarks.

[Mr. Diefenbaker.]

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, in view of the fact that the Minister of Finance (Mr. Gordon) questioned whether the proposed amendment was in order, I feel that before the debate is allowed to go any further, it would be advisable for you to rule whether the amendment is in order or not.

The same problem arose recently in the house and I think the Speaker gave his ruling before allowing the debate to continue.

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** Does Your Honour wish to hear any argument on the question as to whether the amendment is in order?

**Mr. Deputy Speaker:** If the Secretary of State (Mr. Pickersgill) or any other hon. member would like to make submissions for the guidance and enlightenment of the Chair on the question of the point of order, I should certainly be pleased to hear such representations.

**Mr. Pickersgill:** The amendment seems to be of a very technical character. It reads:

That this bill be not now read the third time but be referred back to the committee of the whole with authority to add after paragraph 71A—

I cannot find, in a hasty perusal of the bill, anything that could properly be regarded as paragraph 71A of this bill. By "paragraph" one assumes "clause" is meant, and the bill appears to have 28 clauses.

It is true that clause 16 contains an amendment to section 71A of the act, which is not quite the same thing, but even when you look inside it, it says in section 71A (1)(b) the following words shall be added:

—for which the business is certified to be a new manufacturing or processing business carried on in a designated area.

It does not seem to me if you read the words, "Providing that the municipal authorities with jurisdiction over the area in question," that these would make much sense in relation to the rest of the bill because, as I understand it, the designated areas are not municipalities at all. They are areas covered by employment offices. This seems to be importing something entirely new into the matter, and something that is foreign to the bill itself. Therefore it would make nonsense of the bill. But these are technical objections that I felt ought to be considered, since the point was raised by the hon. member for Lapointe (Mr. Gregoire).

**Mr. G. H. Aiken (Parry Sound-Muskoka):** I think there is no doubt whatever about the propriety of the amendment, and I refer to Beauchesne's fourth edition, citation 415:

When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular. The motion for third reading is debatable under S.O. 32.

There is no limitation whatever on the purposes for which the bill may be recommitted. It can be recommitted for amendment in any particular, and I think this type of amendment has been used many times.

I cannot understand why the Secretary of State would try to put forward any suggestion that there is anything out of order about the amendment. So far as the paragraphs are concerned, there seems to be no particular difficulty involved in paragraph 71A (1)(b), because it is an addition to the wording which is expressed in that clause. I cannot see how there can be any objection to the form of the amendment.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, the point I wish to raise is not so much as to whether or not the amendment is in order but rather as to whether or not it is in good form, whether or not it will achieve the purpose that the Leader of the Opposition has in mind.

As I look through clause 16 of the bill, which writes in a new section 71A, I find the words "designated area" appearing in five or six different places, yet the amendment of the Leader of the Opposition would put in this qualification about a request from the provinces with respect to the phrase "designated area" in only one of these places.

**Mr. Diefenbaker:** That is the definition of "designated area."

**Mr. Knowles:** No, I am sorry.

**Mr. Diefenbaker:** Yes, designated area.

**Mr. Knowles:** I am sorry the Leader of the Opposition has not taken the trouble to read the bill.

**Mr. Pickersgill:** That is usual.

**Mr. Knowles:** I have the amendment which came to me from the Leader of the Opposition, and he wants to add something after subclause (1)(b). That subclause reads:

—for which the business is certified to be a new manufacturing or processing business carried on in a designated area.

A little later on, in subparagraph (2)(b) there is a definition of "designated area," and I suggest that the Leader of the Opposition's homework leaves something to be desired.

Not only are there these two places in the clause where the phrase "designated area" appears, but it appears again over on page 14 and again on page 15, and all these have to do with designated areas. It seems to me that if he wants to apply it to the whole clause he should put it in a better place than he proposes.

One of the requirements of an amendment is that it makes sense. I do not think this makes sense in the form in which it has been presented to us.

**Mr. H. A. Olson (Medicine Hat):** The propriety of this amendment can be reduced to the fact that if there is no place to put it, then if you go back to consider Bill C-95 it would be out of order since there is no section 71. It seems to me it is only a technical error, but the Leader of the Opposition will have to put it together a little better so that we understand what it means.

**Mr. Byrne:** Put it in the garbage can, where it belongs.

**Mr. Aiken:** In connection with the objection that has been raised, certainly if one looks at the bill under clause 71A(1)(b) which appears at the top of page 13, a designated area is there described. Now, if someone wants to raise an objection it would be perfectly logical to put it in exactly where it has been put in.

I think the intention was that it should go into paragraph (2) (b) under the definition of a designated area, and to that extent, if the house agreed, it could be changed to paragraph (2) (b).

**Some hon. Members:** No.

**Mr. Aiken:** I hear some objection from across the way, so it can be left exactly where it is because the words "designated area" appear there, and this particular amendment will qualify those words.

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, I have one point to raise with respect to the regularity of the amendment itself. I submit that the amendment is clearly beyond the scope of the bill before the house because it attempts to alter the method of designating these particular areas to be eligible for assistance.

The Department of Industry Act was passed by this house, in which the method for designation was set forth, and that act established a way by which these designations could be made. If there are additional proposals as to how the areas should be designated, through municipal and provincial participation, then it is within the scope of that particular act that the effort ought to be made.

In the particular bill before us we do have the appearance of the expression "designated area," but it is not open to us, under the scope of this bill, to determine the method by which these areas can be designated, a

matter which was dealt with separately, and therefore the amendment is out of order.

**Mr. Aiken:** On this particular point may I just say to the Minister of Labour that the amendment we are now discussing was brought before the committee of the whole, was not objected to, and in fact it was voted on. It may not be much of a precedent now to refer back, but certainly it was not objected to at that time, and we had a vote on it. Therefore I cannot see how on earth it can be out of order.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I am not saying anything about the substance of the amendment; I am only interested in knowing whether the amendment is in order or not.

It seems to me that at the present time we are discussing two distinct problems. The first relates to the technical or clerical errors which the amendment may contain. On that point I submit that any such error in the drafting of the amendment may be immediately rectified. There is no error of substance here but only an error as to the form. Consequently, I feel that hon. members would be ill-inspired to reject a change made at the proper time, as we are only confronted with a clerical error. If the Leader of the Opposition (Mr. Diefenbaker) wants to bring the necessary modification to his amendment, I think everything will be quite in order.

As to whether the amendment departs from the subject matter of the bill or is entirely foreign to it, that is to say the manner in which the depressed areas are designated personally I do not think that such is the case; the amendment does not modify the manner of designating the areas, if that amendment is proper for the whole, it should be proper also for that part. That is why I submit that the amendment is completely in order.

[*Text*]

**Mr. Greene:** Mr. Speaker, on this question of the amendment I should like to refer the house to the book "Procedure in the Canadian House of Commons" by W. S. Dawson, published in 1962, which I submit is the most recent authority in this regard. I should like to refer to page 177, the top paragraph, where I find these words:

> The rules which govern the content of amendments are largely those dictated by common sense.

To that degree the amendment of the right hon. gentleman is certainly out of order. The right hon. gentleman also said something about B.C., although it might have been more appropriate to refer to "A.D."—"after Diefenbaker". Anyway it will not be long before that is apropos in this house.

**Some hon. Members:** Oh, oh.

**Mr. Greene:** I might also refer to page 178 of the same publication.

**Mr. MacEwan:** What about Renfrew South?

**Mr. Greene:** That will be all right as long as I am there.

**Mr. MacEwan:** You made a speech on this already.

**Mr. Deputy Speaker:** Order, please.

**Mr. Greene:** I refer to page 178, a sentence which reads as follows:

> It is improper to present an amendment which repeats any question already decided by the house in the same session.

Now, Mr. Speaker, Bill No. C-74 has already been passed by this house. That bill showed how designated areas were described and how they would be found. I submit with respect to Your Honour that this bill having already been passed and that question having already been decided, this amendment is purporting to present to the house the repetition of a question already decided by the house in this session when it passed Bill No. C-74, which defined how designated areas were selected. That being the case the amendment is palpably out of order.

**Mr. Baldwin:** Mr. Speaker, on this point I think it is quite possible for certain words or combinations of words used in different enactments to have different meanings. This amendment is not attempting in any way at all to try to do that suggested by the hon. member who has just spoken. We are not going back to the Department of Industry Act to change the meaning of "designated area". But I submit we are entitled for the purpose of the Income Tax Act to say that a designated area shall have the meaning given to it in the Department of Industry Act with certain qualifications added. That is all we are trying to do. This amendment relates to the meaning of "designated area" for the purpose of the Income Tax Act, not for the purpose of the Department of Industry Act.

**Mr. Deputy Speaker:** These are, of course, very interesting comments and suggestions made for the guidance of the Chair. I must say that I am not too impressed by the substantive objections which have been made to the validity or regularity of the amendment. I think if we go to the citation which has been referred to by the hon. member for Parry Sound-Muskoka (Mr. Aiken), namely citation 415(1) of Beauchesne's fourth edition,

we have the basic principle which should guide us in this particular instance:

When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

It seems to me that this is what this amendment intends to do, and I would think that as far as the substance of it is concerned it is quite in order.

I go along with the argument submitted by some hon. members to the effect that there are technical difficulties or errors, but they are strictly technical. For example there is the fact that the amendment should have perhaps been brought in after subsection 2(b) rather than subsection 1(b); but if it were the will of the house the right hon. member could change his amendment at this time quite easily. This is not a substantial difficulty. Reference was also made to the fact that the amendment refers to paragraph 71A, subsection 1(b) rather than to clause 16 of the bill itself. To my mind that is also a technicality and should not be taken into account by the Chair so as to declare the amendment out of order.

For these reasons I would rule that the amendment is acceptable in its present form.

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, some little while ago I was saying that I hoped, in view of the range of the remarks of the Leader of the Opposition, I might be given a little more licence than perhaps might be usual in introducing the remarks I should like to make with regard to the particular subject the Leader of the Opposition concentrated on toward the end of his comments. His criticism should really be examined in the context of the government's whole broad program for expanding the economy and reducing unemployment. He referred to a matter which went back, I think, to 1961 and to what, according to him, had been proposed at that time. If I may I should like to summarize very briefly the actions being taken, to date, in connection with the government's broad program for stimulating business activity and for creating new job opportunities.

1. I should like, first, to mention the initial constructive action of the new Department of Industry to develop a new automobile policy. It is hoped that this policy will result in increased production of automobile parts in Canada to the amount of between $150 million and $200 million. This, of course, will create many thousands of new jobs.

2. A municipal development and loan board has been established with a fund of $400 million. Agreements or arrangements have now been made with all the provinces and the board is engaged in making loans. The increased construction activity which will result from this program should provide thousands of new jobs this winter and next winter.

3. An Atlantic development board has been created, with a fund of $100 million. It is designed to strengthen the whole economic structure of the Atlantic area and in doing so it, also, will create many thousands of new jobs in that part of Canada.

4. The technical and vocational program for training the unemployed has been expanded.

5. Further encouragement has been given to municipal winter works incentive programs by raising the federal government's contribution from 50 per cent to 60 per cent of the direct payroll costs of approved projects in designated areas.

6. The federal government has speeded up its own construction programs in designated areas—or will speed them up—this winter.

7. A new program has been approved to encourage the employment of older workers. This is provided for in the part of the budget to which the right hon. gentleman referred. The federal government will pay 50 per cent of the monthly wages paid to workers over 45 who have been out of work for a consecutive period of nine months, up to a maximum of $75 per month.

8. A bonus of $500 will be paid to the first purchasers of winter built houses.

9. The necessary funds have been provided to permit the Central Mortgage and Housing Corporation to finance an expanded house building program during this coming winter.

10. Generous tax incentives have been approved—I should say we hope they will now be approved—to encourage new manufacturing and processing businesses in areas of slower growth and persistent unemployment. This is one of the matters under discussion in the bill which is now before the house.

11. Incentives are provided for industries with a degree of Canadian ownership to expand anywhere in Canada. This, also, is in the bill before us.

We are very hopeful that this new broad program will be successful. We think it will be. We are very hopeful that the particular program designed to assist unemployed workers over 45 years of age will be successful. The right hon. gentleman referred once or twice to the budget, and I should like to remind him that this was provided for in the budget. It is something about which all of us on this side are very proud. It is the first time a special program of this kind has been developed to help re-establish as useful members of society men in middle life who have been out of work for a long time.

I should also like to say that we are receiving encouraging reports about the program for stimulating winter house building and that the original estimates of what might be achieved under this program are now being revised upwards.

The policy for stimulating economic activity in areas of slower growth is a new one for Canada although similar policies have worked successfully in Britain and in most of the countries of western Europe. The government is hopeful that the generous incentives provided for in the bill which is now before the house will encourage new manufacturing and processing businesses to establish themselves in these areas. These are the areas where unemployment has been exceptionally high and where it has persisted for some years. The new policy is aimed directly at the solution of this evil. This policy for stimulating activity in areas of slower growth is, as I have indicated, only one item, though an important item, in the broad and comprehensive program which has been developed by the government. Though it has worked successfully in the United Kingdom and in various countries of Europe, as I said a moment ago, it has not previously been tried in Canada and we believe it is high time that it should be. It is time a real effort was made to revive and reinvigorate these areas of slow growth where the level of unemployment has been high and chronic.

Conservative spokesmen have opposed this new policy on three grounds. First, they have opposed it because it is a new and untried idea, at least in Canada. We all know that some people do not like new ideas.

**Mr. Pigeon:** If the government respects the autonomy of the provinces, it is all right.

**Mr. Gordon:** I will come to that in a moment, but I suspect, despite the interruption of the hon. member, that the main reason for the criticism from the benches opposite is just that this is a new idea and, therefore, suspect per se.

The second criticism—and this is the point to which I have just referred—is that this policy interferes in some way with the rights of the provinces or of the municipalities. Well, I do not know why a province should object if the federal government does things which will create more jobs in certain areas of persistent unemployment. Furthermore, I doubt, if upon reflection, municipal officials will object very much if this policy results in a great deal of activity and many more jobs in their areas. The Leader of the Opposition referred to Brantford and to the mayor of Brantford. I am informed by my colleague the Minister of Industry (Mr. Drury) that the mayor of Brantford is delighted to have this chance for his area and to have Brantford included among the areas designated.

I would remind hon. members that no formula has been put forward by anyone, in or out of parliament, for effective consultation in advance of budget changes, and the policy we are discussing was put forward in the budget; it is part of the tax bill. It is not many months since some hon. members were implying—without any foundation whatsoever, as it turned out—that there might have been some leaks prior to the introduction of the last budget. I repeat that these implications were without foundation and I do not think any members of this house seriously believe them any more. But I should not like to think what might have been the case, or what might be the case in the future, if budget proposals were discussed in advance with representatives of provincial governments and their municipalities or, for that matter, with anyone else outside the federal government itself.

**An hon. Member:** What a conversion.

**Mr. Gordon:** That was an interesting remark but I did not quite get its implication. I should like to raise another matter which seems to me of paramount importance in connection with this particular criticism. We Liberals believe, and I am sure some members of other parties believe, that the federal government must take some responsibility for the level of economic activity and the opportunities for employment throughout the whole of Canada. This should not and cannot be left to the ten provincial governments acting independently. We were elected to do our very best to improve conditions in Canada and to take whatever action may be needed to provide jobs for the people who need them so badly. I say to hon. gentlemen opposite that we cannot shirk that responsibility by saying that it is the responsibilty of the provinces, as was implied by the Leader of the Opposition.

The third criticism of this whole policy for stimulating economic activity in areas of slower growth and high and chronic unemployment is that the areas that have been singled out for special help should have been designated in some other way. No one has said just how this should have been done; presumably no one has any idea of how this should be done or he would have suggested it.

As I explained in the house on November 6, and the reference is *Hansard*, page 4473, the criteria for the selection of designated areas have been based on the employment and unemployment record for the summer months rather than the annual average, in

order to avoid undue emphasis on winter unemployment in areas where the main problem is not of a seasonal character. At that time I reviewed in detail the criteria for the establishment of a designated area and I also pointed out that provision had been made for flexibility in altering the boundaries of designated areas and for adding new national employment service areas as soon as or if they fulfil, and I hope they do not, the criteria of eligibility. I hope they do not, because that might suggest we were going to have substantial unemployment in other parts of the country, which we would all deplore.

Opposition spokesmen have concentrated their attacks with regard to designated areas on questioning whether one particular area, namely Brantford, should have been included in the list. My colleague, the Minister of Industry (Mr. Drury), dealt with this question in detail on October 16 and his remarks will be found in *Hansard* at page 3651. As he pointed out, representations from all 35 areas designated, including Brantford, have registered only satisfaction with having been so designated.

I think I might also point out that of the total of 31 surplus manpower areas declared by the previous government, 11 are identical with the present list of designated areas and in a number of others there is some degree of overlapping. I think some hon. members may have got the impression that the definition of a designated area is something new and very different. I should like to summarize the definition of a surplus manpower area that was developed previously and show how closely the new definition follows it.

Under the surplus manpower definition it was provided, first, that areas with a labour force of 10,000 or over must be classified by the Department of Labour in a surplus labour market category for 75 per cent or more of the summer months, May to October, 1953 to 1960; also, industrial employment must have declined. Under the first requirement of the definition of a designated area the area must be classified by the Department of Labour as a labour surplus area for one half or more of the summer months—in the earlier one it was 75 per cent—May to October during the past eight years, and it has experienced an employment increase of less than one half the national average over the same period.

There are alternatives. The first one under the surplus manpower definition provides that areas with a labour force of 10,000 must have been classified by the Department of Labour as a labour surplus market for 50 per cent or more of the summer months, 1953 to 1960; also, industrial employment must have deteriorated over this period. Under the new definition of a designated area the alternative is that it has been classified by the Department of Labour as a labour surplus area for one third or more of the summer months, May to October, during the past eight years, and it has experienced an employment decrease over the same period.

It seems to me, Mr. Speaker, that we have been arguing about two definitions that are very similar, and for the life of me I cannot understand what all the fuss has been about.

**Mr. Pugh:** You had better consult the communities.

**Mr. Gordon:** Let me repeat that no one has come up with a better formula. The criticism has been purely negative in its approach.

**Mr. Fisher:** Mr. Speaker, I should like to ask the minister if he bothered to read the suggestions with regard to the formula that were placed before him in previous debates. I take exception to his statement and I should like the minister to comment. In my view some of the suggestions put forward by myself and my associates with regard to the formula were constructive.

**Mr. Gordon:** If I have offended the hon. member in any way or if I have not taken into account some of the proposals that were made, I am sorry and I apologize. But in the broad sense, I have been suggesting that while the formula may not be perfect, it will be revised in the light of experience and in the light of the proposals that have been made by other members of the house. But apart from that, Mr. Speaker, we believe that this program for stimulating areas of slow growth and areas where unemployment is particularly high is a good one. As I say, I am not suggesting it is perfect, and if it can be improved in the light of experience I am sure everyone on this side of the house will be very happy to improve it.

In the meantime, we believe that this program will go a long way towards restoring life and vigour to areas that have been too long neglected. We believe it will provide more jobs where they are most needed. So far as the government is concerned, we propose to push this measure just as hard as we can.

Now, in doing so, I suppose we must expect criticism from those who, as I said a few minutes ago, perhaps are not quite temperamentally ready for new ideas. But despite this, I should like to repeat that we intend to press forward with the kind of new program, the kind of new ideas that are needed to make this country prosperous, including this program of assistance to areas of

slow growth. We believe that this is what the Canadian people want, and we know that this is what the people elected us to do.

**Mr. Pigeon:** May I ask the minister why the government refused to submit this project to the provinces?

**Mr. Gordon:** I will answer your question in a moment.

I say to hon. members, and especially to the Leader of the Opposition, that it is time we stopped jockeying for position. It is time, and I say this with respect because I know I am a relatively new member, we stopped these endless votes of confidence, and this is a vote of confidence.

**Mr. Monteith:** Why don't you just run a dictatorship and be done with it?

**Mr. Gordon:** It is time we got down to work.

**Mr. Winkler:** Give us decent proposals, then.

**Mr. Gordon:** The hon. member for Joliette-L'Assomption-Montcalm asked why this program has not been or is not to be presented for discussion with the provinces, and presumably the municipalities because they were mentioned by other members, before it is implemented. As I have said, first of all, it is a budget proposal. I do not believe anyone seriously expects that budget proposals should be discussed with the provinces and municipalities ahead of time. Then, it is a tax proposal. Surely, the federal government must take responsibility for the kind of taxes it imposes. But above all, I have said that this is a proposal to get people back to work. With the greatest respect, I say that is a responsibility of the federal government, and I hope we shall all live up to it.

**Mr. Starr:** Before the minister takes his seat, may I ask him a question. In view of what he has said, that you would not expect the government to ask for any advice from the provinces in connection with budgetary matters, how does he then square this with the suggestion that before the next budget is introduced he will seek the advice of various parts of our economy such as farmers, labour, and so on?

**Mr. Gordon:** I am really very pleased the hon. member for Ontario has asked me this question because it gives me the opportunity to range a little farther than perhaps I should have been able to do otherwise. I do not believe anyone has come up with a final solution to this problem of budget making under our system of government. There are those who have suggested we should adopt the United States system. When you get down to thinking about the United States system, you realize it is really not appropriate for a parliamentary system such as ours. Before the last budget, I considered whether or not the whole principle of the way it has been done for generations under our system should be changed. I wondered at that time, and I still wonder, whether it would be practical to have a series of public discussions ahead of time to get the views and suggestions of various people, not so that the government could duck this responsibility, because in the last analysis under our system the government must produce a budget and must accept responsibility for it, but mainly to get the benefit of other people's ideas.

I have been thinking about this recently, as I am sure other hon. members have been. It seems to me that at the moment the best we can do is to invite the principal organizational groups to put forward their ideas, let the government have the benefit of their ideas at an early stage and not have these briefs and representations coming along after the main budget proposals have been pretty well decided. This year we have asked that these representations or proposals be made to the government, preferably in December but in any event by the end of January.

Now, this is a beginning or I hope it will be a beginning. I do not say it is the final answer, but at the moment it is a beginning. To answer the hon. member's question directly, I think that if we had tried to hold a federal-provincial conference before the last budget was introduced, we might not have made that time table that I have been trying to forget.

**Mr. Starr:** May I ask a supplementary question? Is it correct to assume from what the minister has said that what he is proposing now is to follow the present system of consultation through briefs and suggestions by organizations but have them presented a little earlier?

**Mr. Gordon:** Well, Mr. Speaker, I think we are all looking forward to this federal-provincial conference that is going to begin a week from Monday. I will be very disappointed if we do not get some useful suggestions at that time.

**Mr. Pugh:** May I ask a question?

**Mr. Deputy Speaker:** Is the hon. member rising to ask a question?

**Mr. Pugh:** Yes, if I may. The minister said he was asking that representations be made well in advance of the next budget; but has he asked the municipalities—

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I rise on a point of order, Mr. Speaker. I submit that the Minister of Finance, the present questioner and the hon. member for Ontario were completely out of order in raising the whole question of the budget. We are now discussing the Income Tax Act and the amendment moved by the Leader of the Opposition.

**Mr. Pugh:** If I could speak to the point of order, it seems to me that this amendment is on consultation. The suggestion has been put forward that before the next budget consultation will be requested well in advance. I am suggesting that we were talking mainly about the municipalities and the notice they receive as designated areas. I am asking, is the minister looking so far ahead that he will be asking the municipalities if they would care to be consulted in the future?

**Mr. Gordon:** I would be glad to answer the question if I am permitted to do so. I certainly hope that the federation of mayors and municipalities will submit their usual briefs to the government well in advance of the next budget, and that that brief will include their usually constructive suggestions on a wide variety of subjects.

**Mr. Pugh:** Didn't their last brief contain suggestions?

**Mr. Colin Cameron (Nanaimo-Cowichan-The Islands):** Mr. Speaker, I do not intend to hold the house up very long on this. I am interested, however, to hear the great regard which the members of the official opposition apparently have for the rights of the provinces when at the same time they introduce an amendment which clearly and completely cuts out the provinces from any consultation, because the provinces are to have no authority whatever of their own; they can act only on the authority of the municipalities.

In that regard I would say also, Mr. Speaker, that it may be true in the old home of the Leader of the Opposition (Mr. Diefenbaker)—I believe it is—that the entire province is divided into municipalities. It is not true in many other provinces. It is not true in my province, and I for one would not dare support this proposed amendment, when it would clearly cut out the rights of people living outside municipalities in the province to be designated as being in areas requiring special control. It may just be another case of the careless draftsmanship for which the official opposition seem to be so skilled.

**Some hon. Members:** Hear, hear.

**Mr. McIntosh:** Is that in order?

28902-5—300

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** But I would suggest that this is not merely a question of draftsmanship. This is a question of the actual wording of the amendment, and the amendment is that the provinces are not to be consulted.

**An hon. Member:** They are not now.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** The hon. member says they are not now, so he is apparently satisfied with the situation, because he supports an amendment that is going to continue to exclude them, and not only exclude them by practice but exclude them by legislation. From now on the federal government would not be permitted, if this amendment were to pass, to consult with the provinces unless the municipalities had taken the initiative in approaching their provincial governments.

I cannot believe that this amendment was presented as a serious contribution toward improving the Income Tax Act, when we see the terms in which it has been drafted. Of course, Mr. Speaker, I have every sympathy with the Leader of the Opposition, being myself at the same melancholy stage of existence, and I can well believe that now and again he hears the words of Andrew Marvell saying:

> But at my back I always hear
> Time's wingèd chariot hurrying near;

But I would suggest there is something odd in this determination to thumb a ride on time's wingèd chariot to oblivion.

**Mr. Deputy Speaker:** The hon. member for Waterloo South (Mr. Chaplin).

**Mr. Rynard:** I just wanted to ask a question, Mr. Speaker.

**Mr. Deputy Speaker:** The Chair has recognized the hon. member for Waterloo South who, I understand, seconded the amendment.

**Mr. Gordon Chaplin (Waterloo South):** Mr. Speaker, I want to take this opportunity of thanking the Leader of the Opposition (Mr. Diefenbaker) when I came into this house today for his extremely generous words in connection with myself. I was very much taken aback by the reception given to his words by the house, and I do not quite know how to answer or how to thank hon. members and particularly the Minister of Finance (Mr. Gordon) for his very gracious reply. This has been a very heart-warming experience for me and has gone a long way, I might say, to making up for some rather dreary months that I had to spend during the summer. I would say to the Minister of Finance, however, that it has presented some problems to me, because when I heard him speak and heard the reception given by, not only my own friends and associates but those on the benches opposite,

I had to hurriedly go through my notes and discard many of them, as I felt he had completely disarmed me.

Mr. Speaker, I realize that speaking at this very late date on Bill No. C-95 there is the danger of indulging in some repetition, but I hope to be able to bring forward some new viewpoint, or at least be able to underscore some of what I feel are the objectionable features of this bill, for the further consideration of the government. Hon. members opposite, when they were sitting in opposition, were most vigorous and vociferous in attacking the government of that day and blaming it for the unemployment that existed in this country. One got the impression at that time that every community in this country was wallowing in the depths of depression, that unemployment lurked everywhere; but today it is very gratifying to note that this designated areas legislation of the government, which is supposed to be a very important step in the curing of unemployment in this country, is found to be necessary and applicable in such relatively few places across the country.

Mr. Speaker, I would like at this point to make it very clear that I am not opposed to the principle of this legislation in regard to designated areas, as long as it is applied to communities that are truly in need. Those places that have been mentioned in the list of such areas—those in the maritimes, for example—I feel qualify for this type of assistance. Due to geography the maritimes are in a relatively poor manufacturing position in this country, particularly in relation to the markets of central Canada. Transportation enters into this question; inaccessibility and availability of supplies is probably another factor. So in my opinion at least it is quite right and proper to offer every assistance possible to encourage industry to become established in that general area.

I am not completely familiar with the conditions in Quebec, but I have no reason to doubt that all the places that have been mentioned there have valid claims. I will come back in a moment to Ontario, but at this time I want to say that one of the most striking features about this list of designated areas is the almost complete ignoring of western Canada. I realize that under the strange, backward looking formula, if I may say so, that the government is using to qualify areas as designated areas, perhaps few places in western Canada could qualify. I know there has been prosperity on the prairies for the last several years, and it is quite likely that this will continue for some time to come. I am sorry that he is not in his seat at the moment, but I would at this point like to offer my congratulations to the Minister of Trade and Commerce (Mr. Sharp) on the success he has enjoyed in selling western wheat to communist countries.

[Mr. Chaplin.]

**Some hon. Members:** Hear, hear.

**Mr. Chaplin:** This has been an extension and an expansion of the successful policy of the previous government, when it started to sell wheat to China. Incidentally, Mr. Speaker, while I am mentioning that matter, I might say that hon. members opposite, when they were sitting in opposition, viewed the Conservative government's wheat policy with very little enthusiasm. The then leader of the opposition, now Prime Minister (Mr. Pearson), was somewhat less than enthusiastic, and if my recollection is correct, the leader of the Social Credit party was actually hostile. Now all the boys have climbed on the band wagon and everybody thinks it is a wonderful thing. I understand that the Minister of Trade and Commerce now feels that the sale of wheat to communist countries is likely to become a permanent pattern in the future. If that is so, he is more sanguine than I am, because I still look upon this as a windfall which will be, or can be withdrawn just as soon as it suits the Russians and Chinese to do so, although I firmly believe we should take full advantage of this favourable situation while it exists. We must at the same time recognize that the more we come to depend on it, the more vulnerable we are. Therefore I feel it would be only common sense to diversify the western Canadian economy as much as possible. I believe the farmers have done this to a large extent in certain areas, and I would think one way to do this would be to encourage, in every possible way, the establishment of industry in western Canada.

I simply cannot understand the ignoring of western interests because if such a policy were successful, and if it holds the high hopes that the Minister of Industry and the Minister of Finance have indicated, it would strengthen immeasurably the western economy, and the economy of the whole of Canada. I think that this situation highlights above all others the basic weakness of this legislation, in which it fails to provide for consultation with the provinces, because the question of these designated areas is of the utmost importance.

After all this talk we have heard about cooperative federalism, it would seem to me the first thing the government would do, or would want to do, is bring the provinces into the picture. Had they done this they would not be in the mess they are now in, relative to the city of Brantford.

Again I come back to Ontario. I am not going to quarrel with the designated areas that have been built up and are dependent

on single industries, or with a city like Elliot Lake whose troubles are very real and entirely beyond the control of the citizens in that community. But I do object very strongly to the misuse of public money for the subsidization of the establishment of industry in an area that is on the perimeter of one of the richest, most properous and most progressive areas in Canada. As I said earlier, there was no provision for consultation, co-operation or co-ordination with the provincial governments. There has, in fact, been no effort to get in touch with them in setting up designated areas, and not only was there no consultation with the provinces but neither was there any consultation with the officials of the municipalities concerned.

The mayor of Brantford learned in the press about the city becoming a designated area. The rest of that community woke up one morning and found they had become the adopted and retarded child of the federal government.

**An hon. Member:** A Liberal government.

**Mr. Chaplin:** Well, it happens to be the same thing.

Some few days ago the hon. member for Northumberland (Miss Jewett) made a factual and well constructed speech, and went to considerable pains to point out that the legislation such as we have been considering in regard to designated areas had been successfully used in European countries, and more particularly in Great Britain. In fact I think she pointed out at that time that they had gone very much farther than we had attempted to go in this country.

I would certainly corroborate her statement in this regard because I had some experience, some years ago in England, in the interests of the company with which I am associated, of trying to develop export business. At that time the British government offered very interesting incentives to have us start an operation in Britain, but the point was that this operation had to be established in the depressed areas. From memory I recall they offered to build a plant to our specifications, and lease it to us if we would establish in a certain area in Wales, and I recall, as the hon. lady mentioned, that there were extremely attractive incentives for the establishment of industry in Northern Ireland and in various other places in Great Britain.

But the point is that there was no premium for industry to establish in London. There was no premium for industry to establish on the rich and wealthy south coast, nor I believe in the industrial midlands. That is exactly the point I want to try and make and stress here today. There should not be any subsidy for industry to establish in any community that borders on the perimeter of one of the richest, most industrialized and progressive areas in the whole of Canada.

As I tried to indicate earlier, I have the highest personal regard for the Minister of Finance, and I am sure he will not take any undue offence, but can you imagine his consternation if he woke up one morning and found that an adjoining constituency to his riding in Davenport had been declared a depressed area? One may say that obviously in a metropolitan area such as Toronto a riding could not possibly be made a designated area without including the whole metropolitan area. That is the point I am trying to make here.

The distance between Galt and Brantford is some 15 miles. This is considerably less than is encompassed in metropolitan Toronto, and I suggest most strongly that the government cannot proffer special treatment to one community without damaging the adjacent communities. This is particularly true when the proposed designated area has no physical handicaps, as compared to its immediate neighbours. Its location is comparable. It has comparable transportation facilities. Its power rates are comparable and, although I have not gone into this, I do not see any reason that its assessment or taxing structure would be out of line with the surrounding communities. The climate is the same. There is no difference in terrain. The designated area is centrally located, and there simply is not any reason that can be explained to me why Brantford cannot stand on its own feet.

Now, if I have seemed unduly critical of Brantford, that was not my intention. I do not blame the officials of Brantford for taking advantage of this unexpected windfall. They have done what anybody else would have done under the circumstances, and I do not blame them at all for it. They simply cannot afford to look a gift horse of this kind in the mouth. This is the kind of gift horse they would gladly see stay on the government payroll in perpetuity, and I believe the minister has certain experience along that line.

Now, Mr. Speaker, I would like to relate to the house the story of a certain community in Waterloo South, and I speak of the town of Hespeler. I might explain that back in 1958 it was a one-industry town dominated by and dependant by and large on the huge Dominion Woollens plant that had operated there for years. This plant had thousands of employees during the world war, and up until 1958 it employed some 600 or 700 persons. Then, in April of that year, the plant closed down putting those 600 or 700 persons

completely out of work and with apparently no possibility of getting work in that community.

This in a community of 4,000 people, so you can see, Mr. Speaker, the crisis which faces them. This action left 11 acres of factory space empty. I am not going to dwell at length on this, but these people did not come crying to the government asking for government subsidies. They got off their fat seats and went out and brought industry into the community, and today the floor space in that plant is filled. New industries have come in during the last few months and established themselves, and the community is now in a stronger position than it has ever been in the past. I use that simply as an illustration of the initiative shown by this one small community.

I do not want to appear unduly critical of Brantford, as I say, or make odious comparisons, but I think that what this small community has accomplished is obvious. I feel the Minister of Industry, and perhaps the Minister of Finance who has been defending this bill, in making this decision to designate Brantford as a retarded area have been the victims of their own statistics. Statistics have their place and their value, but at best serve merely as a guide line. Certainly they have to be understood. Looking back into the past it seems only a short time ago when the Liberal party during the last election had a full head of steam and were in full flight. The whole country reverberated with their slogan: "Take a stand for tomorrow".

**An hon. Member:** Hear, hear.

**Mr. Chaplin:** Someone says hear, hear. To me that slogan indicated an interest in the future; that some forward-looking stand would be taken. The Minister of Industry is now looking eight years backwards. He is not looking to the future. He has made his judgment on stale and rancid statistics which are today meaningless.

What does the future hold for Galt, Kitchener, Preston, Guelph and that whole area that it does not hold for Brantford? There is a $13 million Massey-Harris plant being built there, and it will be interesting to note whether this plant will qualify for these subsidies. From what I have said I do not mean to suggest that Brantford has been without any problems. One of the serious problems which has confronted that community has been the fact that the production of some of the major industries has been rather seasonal in nature, which has resulted in higher than normal lay-offs during the summer. This is where the statistics have been deceptive. I suggest that the subsidization of new industry to establish itself in a community will not correct this situation. I am afraid I never did know what was to be the ultimate function of the new Department of Industry, but I respectfully suggest that the minister or a representative from his department might have consulted with these particular industries to explore the possibility of their levelling out their peaks and their valleys of production. That might indeed have proven fruitful, and this should have been done before the minister committed himself so hastily to a policy of subsidizing industry in an area which really does not need it and for which there is no justification. Government speakers from time to time have admitted that this particular part of the legislation is discriminatory, and they have tried to justify this discrimination. Coming from an adjoining area I feel that this is vicious discrimination which has already proved damaging to adjacent communities.

I do not want to take too much time in quoting from the press, but I have before me a copy of the Brantford *Expositor* of Wednesday, November 6. There is an article headed: "City sends stream of mail to new industry prospects" and it goes on to say:

> Brantford may be a "designated area" industrially—indicative of slow economic growth—but it is fast taking advantage of the label.
>
> A stream of mail—outlining the tax benefits of locating new industries in Brantford—has been shot out of acting industrial commissioner Harry Richards' office to all and any industry of which he can think.

I think, Mr. Speaker, that speaks for itself.

And now what of the future? In fact, what of the present? If hon. members look at the copies of the Canada *Labour Gazette* they will find statistics given relative to the labour supply. They will find that in the month of September certain things happened. In the September issue there is a table showing the classification of labour market areas, and it is broken down into areas of substantial labour surplus and moderate labour surplus, showing the approximate balance and labour shortage. In September Brantford was in the approximate balance group, as was Kitchener and Guelph. Looking back to August the situation was the same. Going back further Brantford is shown in some situations as an area of moderate surplus labour. At the same time Galt, Kitchener and other areas in that vicinity are also shown as moderate surplus areas. I have been trying to point out that Brantford suffers from no natural hazards or handicaps common to other sections of the area. These other communities have no natural advantages, certainly no substantial advantages, over Brantford, and as I said earlier

I feel strongly that this is a matter of the application of public funds.

I also said earlier that I agree with the general principle of this legislation and what it was supposed to accomplish, but I think that this legislation would have been infinitely stronger and the government would have been greatly strengthened had they provided in the legislation consultation and co-operation with the provinces. I suggest that had they done so, and had they consulted with the Ontario government, they would not find themselves in this particular difficulty with regard to Ontario today.

I should now like to refer to another clause in the bill. I believe it is 71.A.(3). At any rate, it has to do with the capital cost of machinery. I will not read this particular paragraph, but having read *Hansard* in connection with it I feel there has been considerable confusion as to its meaning. I gather from the statement made by the minister that the direct effect will be to ensure that industries establishing themselves in designated areas must supply themselves with new machinery at least to the extent of 95 per cent. I have read the comments of the Minister of Finance on this and I can understand the point he is making when he says he does not want people bringing in second hand machinery to compete with established firms. I think there is a certain validity about this point. I also noticed the comments of the Minister of Industry in this regard to the effect that it is to precisely to avoid the likelihood of businesses which, rather than expanding and creating a new operation, merely shift their centre of operations from one area to another, that a provision of this kind is needed.

I think the possibility of such a thing happening is much more apparent than real. It might be possible in certain light industries, for example the needle trades, for all concerned to pack up over the week end and move to another location. But—apparently, the minister does not appreciate the problems which would be involved in moving a heavy or a medium sized industry. It would take months. There would be great difficulty about maintaining production, providing for continuity of supplies to customers and so on. Formidable problems would be presented and from my own experience I can say that no company would go to such trouble and expense unless the move were part of a long-range plan not likely to be predicated upon tax incentives of a few years duration, such as this one.

Nevertheless, I feel that the clause providing for 95 per cent new equipment as contained in this legislation is unrealistic. In my opinion some lesser figure would meet the requirement of the Minister of Finance. I see that an amendment was moved to reduce the figure to 25 per cent, but this was not acceptable to the government. I should like to suggest that 50 per cent would not be unreasonable and that if, in conjunction with it, there were a provision specifying that this 50 per cent be Canadian made, I think we would have something which would be both workable and beneficial. Thus, when a new company sought to establish itself in a designated area under this legislation the effect would be to stimulate other industry in this country. I believe this would not be far out of line with the objectives expressed by the Minister of Finance himself, namely to have more manufacturing done in Canada.

My own experience provides some basis for this suggestion, that 50 per cent of the machinery should be Canadian made. The company with which I am associated has, in the last two or three years, undertaken a large capital expenditure program involving certain heavy equipment which could not be obtained in Canada. But in every case where this equipment was built for us we insisted on having the manufacturer in the United States assign as much work as was possible to be done in Canada, out of Canadian materials and parts. It is surprising what can be accomplished in this direction if a determined effort is made. Thus I have found that even when machinery and equipment cannot be purchased complete in Canada, a 50 per cent Canadian content is not at all unreasonable. Moreover, there are many companies working in Canada today under licence agreements enabling them to bring in certain essentials and use certain designs, though the majority of the work is done and completed in Canada.

For these reasons I say that the percentage of Canadian content I have suggested would not be unreasonable. On the contrary it would be very practicable and I respectfully suggest that the minister give this proposal serious consideration and incorporate it into the legislation now before us.

**Mr. H. A. Olson (Medicine Hat):** I rise to make some suggestions respecting the amendment before us and to answer some of the exhortations made by the Leader of the Opposition (Mr. Diefenbaker) who moved this amendment.

First, if we were to take the wording of the amendment and consider what effect it would have were it passed, I think the whole house would be in a quandary. At least a great many of the words it contained would have to be amended so as to fit it into the bill which it purports to change. With respect, Mr. Speaker, even though the amendment has been ruled in order I suggest there is nothing the house

could do with it unless subsequent changes were made in it, supposing it were allowed to pass.

What concerned me were the remarks made by the Leader of the Opposition when he asked us in the Social Credit party to remain consistent. Oh, the worthy exhortations of those who are without sin. I can recall when, back in 1958, the right hon. gentleman who was exhorting us this afternoon said: I will not rest as long as one man in Canada suffers as a result of unemployment. That statement was followed by an acceleration of the unemployment rate in Canada to the highest level in peacetime history. How inconsistent can you be? I hope the right hon. gentleman had a good rest on April 9, 1963.

I remember, too, the speeches he made to the people of Canada over the television and radio, and so on, before June 18, 1962. He told the people we were at the highest economic level in our history and that there were no problems facing Canada at all. He said that until June 18. And on June 24 he and his friends went on television again telling us that we were in a crisis. What is even worse, I heard the right hon. gentleman in a nation-wide broadcast trying to tell the people of Canada even after that date that the whole international crisis concerning the balance of payments developed between June 18 and June 24.

As I said before: Oh, the exhortations of those who are without sin. At the time the television broadcast was made, subsequent to the imposition of those surcharges on June 24, 1962, people across Canada laughed at a man who had built such an image, only to destroy himself in such a short time.

**Mr. Pugh:** On a point of order, Mr. Speaker—

**Mr. Olson:** Point of order all you like. Why did you not call order when the hon. gentleman was asking us to remain consistent?

**Mr. Winkler:** Why don't you walk across the floor and get it over with?

**The Acting Speaker (Mr. Batten):** Order. Is the hon. gentleman raising a point of order?

**Mr. Pugh:** On a point of order, Mr. Speaker, despite all that was said by the last speaker I would point out that we are on an amendment having to do with consultation, and the only thing I wish to suggest is that the hon. member should be brought to order and told to stick to the point.

**Mr. Greene:** On the point of order, Mr. Speaker, the last speaker spoke about everything from wheat, to industries, to his trips abroad. Hon. gentlemen let him go on, but when the party of that hon. gentleman is quite properly catching it, and when the Leader of the Opposition is catching it, then it is a point of order.

**Mr. Monteith:** On the point of order, Mr. Speaker, we had a second budget debate today by the Minister of Finance.

**The Acting Speaker (Mr. Batten):** Order. I would think there has been a good deal of leniency in this debate.

**Mr. Knowles:** All afternoon.

**The Acting Speaker (Mr. Batten):** Maybe I could suggest to the hon. member for Medicine Hat that we should get back to the amendment before the house.

**Mr. Pigeon:** Mr. Manning's slave.

**Mr. Olson:** Mr. Speaker, I should like to say it is pathetic to see a Canadian statesman destroy the image that gave him the greatest mandate in Canadian history. I will just let it go at that. I want him to know what we think of his exhortations that we remain consistent.

There have been a number of retreats from the original proposals in the budget, but taking into consideration the composition of the house at this time I think that may be a desirable thing. We in this party have stated a number of times that when a party has the responsibility of governing the country and is in a minority position in parliament there is an even heavier burden on members of the opposition to help the government to govern.

**An hon. Member:** Move over.

**Mr. Olson:** These gentlemen over here do not agree with that. They cannot understand any kind of government except the one-man dictatorial type we had in the past four years with a whole horde of subservient and unquestioning supporters. That is the only kind of government they can understand. So, Mr. Speaker, I just want to tell the house and particularly the right hon. gentleman that we are going to remain consistent by assuming our share of the responsibility for the governing of Canada.

**Mr. Southam:** Why don't you walk across the house and be done with it?

**Mr. Greene:** Not just obstruction.

**Mr. Olson:** This party has made a number of suggestions with respect to some of the proposals in the budget. Not all of them have been accepted, but some very important ones have. I suggest this is a desirable new departure in government in that it has listened to the opposition on occasion.

**Mr. Winkler:** Is this the last Liberal speaker?

**Mr. Olson:** With regard to the amendment, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) has suggested that the Leader of the Opposition (Mr. Diefenbaker) was not really serious. In my view the evidence that the right hon. gentleman placed before the house this afternoon bears this out completely, because as soon as he moved the amendment he left the house. He did not even stay to listen to what the Minister of Finance (Mr. Gordon) had to say about the amendment.

**Mr. Pigeon:** Where is the Prime Minister (Mr. Pearson)?

**Mr. Olson:** We have said on a number of occasions that there should be consultation locally with regard to designated areas. Clearly the amendment is out of order. It is poorly put together. They have not even got the right numbers in the right places.

**Mr. Pugh:** Mr. Speaker ruled on it.

**Mr. Olson:** Therefore, considering all these things there is no question that we cannot support it.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I shall be very brief. Since the beginning of the discussion on the amendment proposed by the right hon. Leader of the Opposition (Mr. Diefenbaker), reference is made to consultation between the federal government and the provinces. And the question of provincial autonomy is always to the fore.

When reference is made to provincial autonomy, I think in most cases, it concerns the autonomy of the province of Quebec.

In reading the amendment over and over again, and taking into account our past experience and the statements made yesterday, I cannot help but think that the political parties have only one objective at this time and it is to try and make the people of Quebec believe that they have realized the problem facing that province and that they are prepared to settle it, although they have really understood nothing of the present problem of federal-provincial relations.

Indeed, the crux of the problem is on taxation reform. And it is precisely that matter which the right hon. Prime Minister (Mr. Pearson) and the Leader of the Opposition would not discuss last night.

The problem really concerns taxation reform between the federal government and the provinces, rather than an amendment like the one moved by the Leader of the Opposition, under which the federal government would first designate some regions which in turn, through their provincial government would ask the federal government to accept them.

I think that it is a way to evade the question, a way to throw a smokescreen over the true problem. Well, we will not be a party to this evasive action by the old line political parties.

Mr. Speaker, we do not wish to take any part in endeavours to divert attention from the real problem and this is why we will not fall into the snare set for us when we are told that it is in order to protect the rights and privileges demanded by the provinces.

We feel that this amendment is no solution to the real problem. We would like the problem to be really considered from the point of view which we have suggested, that is to give each province the means to look after its own affairs and not always treat the matter lightly by submitting amendments as it is now done.

The amendment, I must add, is very complicated. No matter how much we would consider and reconsider it from all angles, in our opinion, it remains just as complicated.

I wonder who could find a meaning to it. It it had been explained to us, perhaps we could express our views, but I must say that we will vote against it at this time.

Provincial autonomy would no more be respected if the municipal authorities were asked to voice their feelings to the federal government. Municipalities being creatures of the provincial governments have no business, in our opinion, to deal with the central government; that is up to the provinces.

[*Text*]

**Mr. A. D. Hales (Wellington South):** Mr. Speaker, I will forgo what I wanted to say on the amendment, and the hon. member for Waterloo North (Mr. Weichel) will do the same, in order that the amendment can be voted on and so that hon. members opposite can endorse what they voted for last night by voting for the amendment that is before us now.

**The Acting Speaker (Mr. Batten):** Is the house ready for the question?

**Some hon. Members:** Question.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Aiken | Bigg |
| Alkenbrack | Cadieu (Meadow Lake) |
| Baldwin | Cantelon |
| Bell | Casselman, Mrs. |

*Division*

Chaplin
Clancy
Coates
Danforth
Diefenbaker
Dinsdale
Doucett
Fane
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Grafftey
Gundlock
Hales
Hamilton
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Korchinski
Lamb
Loney
MacEwan
McBain
McCutcheon
McIntosh
Millar
Monteith
Muir (Lisgar)
Muir (Cape Breton North and Victoria)
Nasserden
Nesbitt
Noble
Nugent
Ormiston
Pascoe
Pigeon
Pugh
Rapp
Rheaume
Ricard
Skoreyko
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Valade
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler
Woolliams—66.

NAYS

Messrs:

Addison
Armstrong
Asselin (Richmond-Wolfe)
Badanai
Batten
Beaule
Benidickson
Benson
Berger
Blouin
Boutin
Byrne
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Caron
Carter
Cashin
Chapdelaine
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Denis
Deschatelets
Dionne
Douglas
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Forgie
Foy
Frenette
Garland
Gauthier
Gelber
Gray
Greene
Gregoire
Groos
Guay
Habel
Haidasz
Harley
Hays
Hellyer
Herridge
Honey
Howard
Howe (Hamilton South)
Jewett, Miss
Klein
Knowles
Konantz, Mrs.
Laing
LaMarsh, Miss
Lamontagne
Langlois
Latulippe
Laverdiere
Leduc
Loiselle
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Mather
Matte
Mitchell
Moreau
Morison
Mullally
O'Keefe
Olson
Otto
Ouellet
Pearson
Pennell
Perron
Peters
Pickersgill
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Tardif
Thompson
Tucker
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Webster—112.

[The Acting Speaker (Mr. Batten).]

**Mr. Deputy Speaker:** I declare the amendment lost.

**Mr. Gordon:** Mr. Speaker, I was paired. If I had voted I would have voted against the amendment.

**Mr. Davis:** Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

**Mr. Regan:** Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

**Mr. Rynard:** Mr. Speaker, I was paired with the hon. member for Brantford. Had I voted I would have voted for the amendment.

**Mr. Rinfret:** May I, with unanimous consent of the house, revert—

**Mr. Deputy Speaker:** Order, is the house ready for the question on the main motion? Is it the pleasure of the house to adopt the motion?

**Some hon. Members:** On division.

Motion agreed to and bill read the third time and passed.

## BUSINESS OF THE HOUSE

**Mr. Monteith:** I wonder would the house leader give us an outline of the business for tomorrow and Friday?

**Mr. Pickersgill:** Tomorrow we will take the vocational training resolution, and if it is completed and first reading given to the bill, we will then take the resolution to set up the committee on the C.N.R. If that should be completed I think we would be prepared to go on with the motion preceding the centennial bill, or any other relatively non-contentious items on the order paper. Tomorrow evening it has been agreed that we should take the estimates of the hon. lady, the minister of citizenship—

**Some hon. Members:** Oh, oh.

**Mr. Pickersgill:** Mr. Speaker, it is a bad day for me—the Minister of National Health and Welfare. If they should be completed before 10.30 the Minister of Fisheries would be glad to supplement them with those items of his that have not been completed.

I will have some discussion with hon. gentlemen opposite about legislation for Friday up until five o'clock. There had been some discussion about having my hon. friend, the Secretary of State for External Affairs, proceed, but I understand there is some difficulty about that. In that case we would probably take the estimates of the Department of Mines and Technical Surveys on Friday evening, and if they were completed we would go on again with the estimates of northern affairs.

**Mr. Monteith:** Might I ask if the resolution stage of the vocational training bill were completed tomorrow, would we take the second reading of that on Friday?

**Mr. Pickersgill:** Yes. I understand my hon. friend, the Minister of Labour, might not be able to be here, but if the house would excuse him and allow his parliamentary secretary to proceed with the bill, I think the government would be very glad to get on with that bill on Friday.

**Mr. Pigeon:** What about the post office estimates?

**Mr. Pickersgill:** The hon. gentleman will get his turn.

It being twenty minutes after six o'clock the house adjourned, without question put.

28902-5—301

# HOUSE OF COMMONS

**Thursday, November 14, 1963**

The house met at 2.30 p.m.

## PRIVILEGE

MRS. KONANTZ—STATEMENT ON REPORT RESPECTING T.C.A. WINNIPEG MAINTENANCE BASE

**Mrs. Margaret Konantz (Winnipeg South):** Mr. Speaker, I should like to be permitted to say a few words on a question of privilege raised in my absence from the house by the hon. member for Winnipeg North (Mr. Orlikow). Yesterday afternoon I returned from the United Nations in order to come before the house to answer some of the questions which were asked here last Tuesday afternoon. On Tuesday night I sent the Minister of Transport a wire from our Canadian mission in New York, which reads as follows:

Winnipeg *Tribune* reporter called me at 2.30 p.m. local time today asking me what I had meant in the story of our annual meeting in Winnipeg South at Lois Parkhill November 5, when I said "Mr. McIlraith showed me the Dixon-Speas report."

I explained that I had made a courtesy call on you while in Ottawa when attending the federal Liberal women's conference. At that time you stated the Dixon-Speas report could not be released and pointed to four volumes on the table behind your desk. The reporter asked me if I had been talking to Ottawa today, to which I said no. He told me of Mr. Orlikow's statement in the house.

Now, there are two points I would like to make. Because of my deep concern over the problem of T.C.A., this summer I went through the overhaul base and visited with the men. On another occasion I met with management. I was shown reports, records and documents, so that when I saw the Dixon-Speas report on the minister's table I well understood this report would probably contain confidential information. At the annual meeting of the Winnipeg South constituency, when reporting on the T.C.A. question I did say, without giving any details, that the Minister of Transport had shown me the Dixon-Speas report. It was unthinking of me to allow any impression that I had seen the report itself.

On reviewing the newspaper stories of our meeting I realized how I must have embarrassed both the Prime Minister and the Minister of Transport. For this reason, on Tuesday night I telephoned the chairman of my advisory committee in Winnipeg to ask him if at any time I had given any suggestion that I had read the Dixon-Speas report. As a result the following wire was sent to the Minister of Transport from the Winnipeg South Liberal association and a copy was sent to me in New York yesterday morning:

Mrs. Konantz did not say at her annual meeting or elsewhere that she had seen and therefore read the Dixon-Speas report but did say that the five volume report was pointed out to her by the minister. From her conversation with him she could well understand why the information contained in it could not be made public because it would then be available to the competitors of T.C.A.

Yesterday morning the Minister of Transport wired me to come to Ottawa. I have now had a chance to read the questions which were raised in the house on Tuesday. I believe I have given frank answers to them all. I have read the statement made by the Minister of Transport to the House of Commons. Needless to say, it is entirely correct.

## COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

**Mr. James Forgie (Renfrew North)** presented the second report of the standing committee on veterans affairs, and moved that the report be concurred in.

Motion agreed to.

DEBATES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

**Mr. H. M. Batten (Humber-St. George's)** presented the first report of the standing committee on debates, and moved that the report be concurred in.

Motion agreed to.

## EXTERNAL AFFAIRS

ANNOUNCEMENT OF EXPANSION OF ASSISTANCE PROGRAMS

**Hon. Paul Martin (Secretary of State for External Affairs):** I should like to make an announcement on a subject which I am sure will be of considerable interest to the house and to the Canadian people. I refer to Canada's program of economic assistance for the developing nations of the world. The record demonstrates, I think, that since 1950, when Canada was one of the founding members of the Colombo plan, Canadian governments have regularly reviewed the adequacy of their aid programs and have made provision for increases whenever national circumstances permitted. Last year only was a reduction

made in the level of our assistance as part of a general program to reduce expenditures in every area of government activities.

When the present government took office it became increasingly apparent that because of the changing framework of international assistance a fresh look was required at our international aid effort. The requirements of the developing countries are urgent and growing, and economic assistance for them has become an established policy of all of the advanced nations of the free world which have recognized the need to co-operate in assisting to the best of their ability those countries in the process of economic development.

Accordingly, our Canadian aid effort cannot be viewed in isolation but rather as part of a broad collective effort. We would be failing in our responsibilities both to the developing countries and to other advanced countries with which we are associated, if we did not ensure that Canada played its proper role in this common aid effort.

As an integral part of our foreign policy our Canadian aid programs have, I am convinced, the broad support of the Canadian people. By sharing our resources, skills and experiences we not only benefit others but also help to expand and enrich our own experiences. Our aid programs provide a stimulus to the domestic economy and contribute to a betterment of employment conditions, since the main part of our aid funds is spent in Canada to purchase Canadian goods and services required in the developing countries.

Taking all these factors into account, the Canadian government has now formulated general plans for an expansion of Canada's aid programs beginning in the fiscal year 1964-65.

The main proposed area of expansion would be in special Canadian lending for development purposes. If Canada is to be in a position to provide assistance on terms commensurate with the needs of recipient countries, consistent with the agreed objectives of international bodies of which we are a member, and in line with what other major donors are providing, there should be available for implementing Canada's bilateral assistance programs facilities for lending of the type now carried out by the international development association, involving such features as long maturity periods, liberal grace periods, and little or no interest. It is proposed, therefore, that a lending program of this type should be commenced in the fiscal year 1964-65 with an initial ceiling for commitments of $50 million.

It is the government's intention to ask parliament to make separate provision beginning in 1964-65 for a food aid program, as already announced by the Minister of Trade and Commerce, and for Canada's contribution to the Indus basin development fund, which was set up in an effort to resolve the difficult dispute between India and Pakistan over the use of the waters of the Indus basin. These are now included in Canada's bilateral grant aid programs, which will be continued in 1964-65 at their present level of about $50 million, but which will in the future be limited to the provision of project assistance, the supply of industrial commodities and the carrying out of technical assistance for the developing countries. The result will be a significant increase in our grant aid.

These improvements in our aid programs would, of course, be additional to Canada's other existing programs of assistance, including our long term financing arrangements under the Export Credits Insurance Act and our contributions to the multilateral programs of the United Nations. Recent references have been made in the house to the increased Canadian contribution to the United Nations special fund and the international development association.

In the current fiscal year it is expected that the over-all level of Canada's expenditures for assistance to less developed countries will be in the neighbourhood of $120 million. It is the government's intention to seek authority to make available an additional $70 million in 1964-65. It is, of course, not possible at this stage to forecast an actual expenditure level for 1964-65, but it is expected that with the new resources available, the level might be in the range of $180 million to $190 million.

The over-all program which I have described will be a flexible one designed to place Canada in a position to make an effective response to changing national and international circumstances. In particular, it will provide:

(1) aid to Colombo plan countries of Asia at a higher level than was provided prior to the reduction in 1962;

(2) a more comprehensive and sizeable Canadian program for the commonwealth countries of the Caribbean. In this connection, it will be remembered that when the Prime Minister of Canada saw the President of the United States he indicated that it was Canada's intention to increase its assistance to the commonwealth countries of the Caribbean with which Canada, of course, has a long and historic association;

(3) a larger and more effective program for Africa, including the French speaking states;

(4) a further contribution to Latin American development, in close co-operation with the

inter-American development bank, through the availability of new and additional lending resources.

I make this announcement at this time in view of the O.E.C.D. ministerial meeting in Paris next Tuesday and Wednesday, at which the subject of aid to developing countries will be discussed.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** It is difficult, Mr. Speaker, to follow the minister in the detail in which he indulged without having before one the actual figures and the computations that he has before him as he speaks. However, in so far as a program is concerned which will raise standards in other parts of the world and will assure technical assistance, in what the minister has stated he represents the viewpoint of the Canadian people.

As a matter of fact, when we came into office we made alterations in the amount of assistance given under the Colombo plan by increasing the amount from $35 million to approximately $50 million. Furthermore, during our period of office we brought into effect assistance for those developing French speaking countries in Africa, a work which was particularly appreciated by those people in view of the dual nature of our country. Mention is made in the announcement of expanding assistance to the Caribbean countries. This is a continuation of a course which we launched in 1959. It is a worthy one, for those nations have much in common with us, and contiguous to us as they are within the commonwealth they have a particular claim upon our consideration.

In so far as the loan plan is concerned, that is something that will have to be examined with care. I believe that Canada, as a member of the commonwealth, should do her part toward encouraging within the commonwealth the establishment of a commonwealth loan plan for the assistance of countries within the commonwealth, because represented within the commonwealth are almost all the races and colours of men. What the minister has said, in effect, is that Canada, as a leading nation desiring peace and the raising of standards throughout the world, accepts her responsibility as nations must today as being their brother's keeper.

In so far as the general purport of what he has said is concerned, there will be widespread approval. The particulars, however, will require examination to the end that in any contribution we make internationally in this regard, first consideration should be given to the commonwealth countries.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, the Secretary of State for External Affairs is quite correct when he says that the bulk of the Canadian people will support a generous program of aid to the underdeveloped and emerging nations of the world. I believe they will welcome the announcement which the Secretary of State for External Affairs has made regarding proposed increases in Canada's assistance in the coming fiscal year.

However, Mr. Speaker, the Secretary of State for External Affairs has such a marvellous capacity for wrapping up any gifts in tinsel, fancy ribbon and gift packaging that one might tend to be a little deceived as to just how much is in the package. Even after the increases which are proposed for the coming fiscal year, Canada's aid to underdeveloped countries will amount to less than one half of one per cent of our gross national product, and part of this amount of some $185 million to $190 million will be in the form of loans at low interest rates, so that it will not be entirely a gift.

I was surprised that the Secretary of State for External Affairs made mention of the assistance given to the Caribbean countries which have passed through very difficult times in recent months as a result of tornadoes. Our contribution to the entire Caribbean area was $20,000 in cash and skim milk powder worth about $80,000. This is a total contribution in cash and kind of about $100,000 to cover several countries which suffered very serious damage.

The government and the people of Canada have to take seriously this question of economic aid to underdeveloped areas. The latest figures available show that the share of the world's goods which goes to these nations is less now than it was before the war. It is greater in total, but in terms of the share of the world's total production it is less, because western production has grown so rapidly that the underdeveloped areas are today getting a smaller share of the world's total production than they used to get.

If the world is to have any hope of living at peace, then we must be prepared to spend more money assisting these underdeveloped areas. In the long run this will do more to maintain peace in the world than will the billions of dollars which the western world is spending on armaments. Many of these countries not only require immediate assistance but their most crying need is for capital and capital equipment, so they can increase their productivity and raise the living standards of their people.

We in this party welcome the announcement which has been made by the Secretary of State for External Affairs, but we think that even with this small increase we are doing far less than we ought to be doing.

We should not be satisfied with anything less than 1 per cent of our gross national product, and we in this party have for years advocated that our goal should be 2 per cent of Canada's gross national product as an investment in peace and in bringing economic prosperity to the underdeveloped areas of the world. We contend that the best hope for future generations to live in peace lies in this kind of aid, and that we ought to be diverting more of our money in this direction.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, we are pleased that the Secretary of State for External Affairs has made this announcement today. Certainly any increase in the aid we can give to those in a less favoured position than our own is to be commended, but I am concerned that even though this word is encouraging it is still only a very small part of what we could and should be doing.

The Secretary of State for External Affairs has mentioned that this will be adding something more than 50 per cent to the budget for this particular type of aid in the coming fiscal year. Even at that, and considering the statistics he gave to us yesterday, it will bring us only to approximately one half of what is being given per capita by the United Kingdom and West Germany, and only to a quarter of what is being given by the citizens of the United States and France. This is not good enough. I think we should realize that it is not only our moral obligation but it is also our privilege to be in a position where we can be doing more, and it is not to our credit that more is not being done.

I note with interest the areas to which this assistance will be given, and I agree with previous speakers that it is our first obligation to the commonwealth countries to prove that the spirit of understanding and good will that we have in the commonwealth should express itself in the type of assistance afforded in the Colombo plan that we have known so well down through the years. It is of particular interest that this assistance will be aimed to further helping the Caribbean area. I think this is a timely opportunity for us, because this is an area right on our own doorstep which is part of a volatile situation that could blow up at any time as far as Latin America and the neighbouring area of central America are concerned. It is an area where we could be making a total contribution that would really do some good. I trust the government will see fit to still further increase the aid that they suggest be given to the Caribbean area.

It is good, also, that we have Africa in mind. The Secretary of State for External Affairs spoke of Latin America, and certainly there is no more needy part of the world than this. I wonder whether the Secretary of State for External Affairs might be considering tying in this materialistic assistance with the moral aid for which the people of Latin America have been looking for a long time, in our becoming a member of the organization of American states. I think this is a very important question, and we cannot very much longer avoid taking a decision on it.

I suggest to the Secretary of State for External Affairs that one of the greatest developed resources we have as Canadians is that reserve of good will which Canadian people have created for themselves and for their country. We should be making sure this resource is exploited to the maximum in considering this program of aid.

I also suggest that in planning the distribution of this aid we should make sure that it goes to areas where the assistance can make a distinct contribution in the field in which it is needed. It is not just in giving away that we can help these countries. Therefore I think it is a good thing that financial assistance is being made possible at no interest cost. We have this ability to help other people help themselves. I think this is a phase of aid which is not considered often enough. It is not just a hand-out that is wanted; it is assistance that will help people help themselves.

Therefore, Mr. Speaker, we support wholeheartedly what has been said here today, but we do hope it is only a small part of what is to come in the future.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, the Canadian people will, I am sure, welcome the announcement made by the Secretary of State for External Affairs (Mr. Martin) to the effect that Canada's assistance to underdeveloped countries will be $190 million, that is an increase of $140 million over the contribution of the past few years. Canadians are anxious to help the have-not countries in the world through their government.

Canada's economic aid to underdeveloped countries will take the form of financial and technical assistance. As stated by those who spoke before me, financial aid is important but technical assistance is even more important since it enables the recipient countries to initiate projects, for if those countries need our financial help, they need above all the means to become self-supporting eventually. That is how we can contribute to the protection of those countries against subversive ideas.

We have been contributing to the Colombo plan for years. I am quite in favour of helping certain members of the commonwealth, that is certain, hard-pressed Caribbean countries. When I was in Jamaica, over a year ago, I saw people who wanted not so much our credit to purchase products as our technical assistance to improve their condition. Those countries have their own natural resources and they can develop themselves if we show them how and if we help them.

Now, it is a fine thing to help those countries, but I should like to remind the Secretary of State for External Affairs and the Prime Minister (Mr. Pearson) that we still have in Canada areas which are underdeveloped and where people experience hard times in the midst of abundance. We approve and we commend this assistance to the underdeveloped countries but the government should also have some thought for the Canadians who contribute to the development of this country of ours.

[*Text*]

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Secretary of State for External Affairs which is related to his announcement about external aid. Is the cost of bringing students to Canada from overseas for courses to enable them to contribute to the development of their own countries included in the cost totals that he gave today, or is this an additional amount?

**Hon. Paul Martin (Secretary of State for External Affairs):** That kind of program could be included. It is a matter for decision in each case. The program to be covered by the expenditures is a matter to be decided when dealing with the application and with each project.

### SOUTH VIET NAM—RECOGNITION OF NEW GOVERNMENT

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, would the Secretary of State for External Affairs say what the decision has been regarding recognition of the provisional revolutionary government of South Viet Nam. What are the considerations that impelled the government to its decision, and would the minister deal in general with the ominous situation in that country consequent upon the change of administration?

**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. When he asked me the other day about this matter I was not in a position to deal with it, for a number of reasons. One was that there had been no request for recognition from the provisional government of the republic of Viet Nam.

Since then such a request has been received and this question has been examined. The government has decided to accord recognition to the government of the republic of Viet Nam. The considerations which the Canadian government examined were: The fact that the government is in actual control of the major part of the territory of the state; it has undertaken to observe international obligations entered into by its predecessors, and it has secured the acquiescence of the population. It has also promised to protect foreign lives and property and to guarantee fundamental freedoms "within the framework of the anti-communist struggle and the security of the state". Moreover, the Vietnamese government has undertaken to maintain co-operation with the international supervisory commission on which Canada serves.

## IMMIGRATION

### MRS. MIRIAM STEVENSON—INQUIRY AS TO DEPORTATION ORDER

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. Press reports today tell of a Mrs. Miriam Stevenson, aged 53, of Vancouver, who has been ordered deported from Canada on the ground that back in the depression of the 1930's she belonged to the communist party in Los Angeles for a period of one year. I should like to ask the minister whether it is the policy of his department to deport an individual for having belonged to the communist party 30 years ago. Is this considered a crime in the eyes of the present government?

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** Mr. Speaker, in view of the interest of the hon. gentleman in this matter may I say that yesterday, because of certain representations made to me by two sources to the effect that they wanted to make further representations and supply additional information, I ordered that the deportation be deferred for two months so as to give me the chance to look further into the matter.

*Inquiries of the Ministry*

## TRANS-CANADA AIR LINES

PURCHASE OF NEW PLANES—REQUEST FROM MONTREAL COMMITTEE PRESIDENT

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I have a question for the right hon. Prime Minister. Has he replied to the request of the chairman of the executive committee of the city of Montreal, Mr. Lucien Saulnier, concerning the purchase of Caravelle aircraft by T.C.A.? If so, what was his reply?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I think a reply has been made. To the best of my memory the letter was received only yesterday or the day before, but I will look into the matter at once.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I should like to put a question to the Prime Minister. Has he the power or the authority to repeal the decision made by T.C.A. directors to purchase the DC-9 aircraft instead of the Caravelle? If the Prime Minister has such authority, does he intend to repeal this arbitrary and autocratic decision of the T.C.A. president?

**Mr. Deputy Speaker:** Order. The hon. member will allow me to point out that his question should be put on the order paper. In addition, it is out of order because it expresses an opinion and is controversial.

[*Text*]

**Mr. Valade:** On a point of order, Mr. Speaker, I simply asked the Prime Minister if he had the authority to revoke a decision made by Air Canada to purchase the DC-9. I just want an opinion from the Prime Minister.

**Right Hon. L. B. Pearson (Prime Minister):** The question, of course, as you have said, Mr. Speaker, was out of order, especially when an adjective such as "autocratic" is used in putting it.

## HEALTH AND WELFARE

PROTECTION OF PUBLIC AGAINST IMPAIRMENT FROM SMOKING

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 health, and in her absence I will address it to her parliamentary secretary. A Dr. Frederick Bock, a cancer research specialist, has made this statement as reported in the press:

> Dr. Frederick G. Bock, associate cancer research scientist at Roswell Park Memorial Institute in Buffalo, said 2,000 to 3,000 Canadians died in 1962 of lung cancer, the most prevalent disease arising from smoking. This figure, coupled with the number of heart and bronchial diseases bred by smoking, put cigarettes well ahead of traffic accidents and infectious illnesses as a killer, he said.

My question is, can the minister, or in her absence the parliamentary secretary, state what has been done in the preventative field to date?

**Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I should like to take this question as notice.

## EXTERNAL AFFAIRS

ASSISTANCE TO NEWFOUNDLAND PREMIER IN DEALINGS WITH U.S. ADMINISTRATION

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. I wonder whether the minister could tell us whether it has been possible for the minister's officers in the United States, particularly in Washington, to be of any assistance to the premier of Newfoundland in his dealings with the Kennedy administration on the Canadian Javelin matter?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I should like to give consideration to that question. I am not presently familiar with the full situation to which my hon. friend directs my attention.

[*Later:*]

**Mr. Fisher:** Mr. Speaker, I wish to direct a question to the Minister of National Revenue relating to the same subject I brought up with the Secretary of State for External Affairs. Under the provisions of the Canada-United States tax treaty has the minister's department obtained transcripts of the evidence at hearings before the United States courts regarding gifts made by Mr. Doyle of Canadian Javelin to one certain Canadian?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I wonder whether I could take the hon. gentleman's question as notice.

**Mr. Martin (Essex East):** Mr. Speaker, on this question I have had an opportunity to consider further my reply to the question which the hon. member asked me. I now refer him to the reply tabled in the house yesterday to question No. 1,627 by the hon.

member for Queens, which will be found at page 4687 of *Hansard*.

HONG KONG—CONTINUATION OF EMERGENCY RELIEF MEASURES

On the orders of the day:

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, I have a question for the Secretary of State for External Affairs arising out of his statement on external aid, and I think it can be answered quite briefly. Does the minister's announcement mean that the government has now decided to continue the emergency food program to Hong Kong which was commenced in 1962?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, that question will be considered when I deal with my estimates.

**Mr. Diefenbaker:** No decision yet.

CUBA—INQUIRY AS TO DISCUSSIONS RESPECTING ARRESTED CANADIAN CITIZENS

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. I understand that yesterday afternoon discussions were carried on with the Cuban authorities regarding the two Canadians who are being held as prisoners by the Cuban government. Can the minister tell the house what was the outcome of these discussions?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, yesterday I saw the Cuban ambassador, and I impressed on him the desirability of a postponement of the trial, which had been scheduled for Saturday, I think. I pointed out that not enough time had been made available to provide for a full appreciation of the charges, to provide for counsel and to permit the necessary preparation of the defence. The Canadian ambassador saw the foreign minister of Cuba last night and repeated the request which I made in Ottawa to the Cuban ambassador. I can now say that the trial will not proceed on the originally scheduled date but will take place some time later. I do not know the exact date yet, but I have been assured that there will be a postponement of the original date.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, what is the charge against these men; and will the minister say whether he discussed with the Cuban authorities the right of these accused to have their own Canadian counsel?

**Mr. Martin (Essex East):** Mr. Speaker, I cannot give the precise nature of the charges because they have not been made available. This has been one of the subjects on which the Canadian government has been seeking information from the government of Cuba. With regard to counsel, some ten days ago I suggested to the Cuban ambassador that in order to give the assurance we would want that acceptable standards of justice were going to be observed, Canadian counsel should be provided by the government or by the accused themselves. This has been denied to us. However, I can say that the vice consul, who himself is a lawyer, has had the opportunity to see the accused. This aspect of the matter continues to be a subject of discussion between us.

**Mr. Diefenbaker:** I should like to ask the minister to give us a general idea of the nature of these charges. He says he does not know the particulars, but what is the general nature? Is it making an armed attack on Cuba? What is the nature of the charges?

**Mr. Martin (Essex East):** Mr. Speaker, in the interests of the accused themselves, I believe it is not desirable that at this time I should give partial particulars of the charges, which have not yet been made completely known to us. If I thought it was in their interests to give the partial particulars I would unhesitatingly do so.

**Mr. Diefenbaker:** What is the reason for secrecy as to the nature of the charges against the accused? That is what I do not understand.

**Mr. Martin (Essex East):** My answer is that in my view the way to protect these Canadian nationals is to take the course I have indicated in the responses I have just made.

## DOMINION-PROVINCIAL RELATIONS

NOVA SCOTIA—PROTEST RESPECTING OFF-SHORE MINERAL RIGHTS

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I should like to ask a question of the Prime Minister. Would the Prime Minister inform the house of the federal government's policy regarding off-shore mineral rights as a result of the protest being lodged by the government of Nova Scotia relating to the granting of a licence to the Shell Oil Company for gas and oil exploration off the Nova Scotia coast?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I am afraid I cannot answer that question at the moment, but I will be glad to look into it and give an answer tomorrow.

*Inquiries of the Ministry*

BRIEF FROM FEDERATION OF MAYORS AND MUNICIPALITIES

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to direct a question to the Minister of Finance. Following the speech he made in this house yesterday, is it the minister's intention, or that of his government, to ask the federation of mayors and municipalities in future to submit a brief to the federal government, thereby overlooking the rights and privileges of the provinces in this field?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** The Canadian federation of mayors and municipalities customarily presents a brief to the government of the day each year. It is usually a good brief, and I hope they continue the practice.

## LABOUR CONDITIONS

UNEMPLOYMENT—GOVERNMENT ACTION TO IMPROVE SITUATION

On the orders of the day:

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, I should like to address a question to the Minister of Labour. Since the number of unemployed is still increasing, would the minister tell the house whether he has any plans to eliminate unemployment, as was promised during the election campaign?

**Hon. A. J. MacEachen (Minister of Labour):** Mr. Speaker, I am pleased to advise the house that the results of the October labour force survey are on the whole fairly encouraging. Total employment increased by an estimated 11,000 between September and October, whereas it usually decreases during this period. Also, the situation in the province of Quebec has altered; the October survey showed that employment was 100,000 or 5.8 per cent higher than a year earlier.

**Mr. Ricard:** A supplementary question. Could the minister give me an explanation of the difference between what he says and what is printed in a bulletin issued at 10 a.m. on November 14, which shows, under the caption "Unemployment", that unemployment rose from 250,000 to 265,000?

**Mr. MacEachen:** Mr. Speaker, there is no contradiction between what I have said and the normal chain of events.

**Mr. H. Russell MacEwan (Pictou):** Could the Minister of Labour advise the house whether this includes all the unemployed Liberal candidates in the last Nova Scotia election?

[Mr. Pearson.]

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I should like to ask a question of the Minister of Labour relating to the previous question which he answered. Does the Minister of Labour now feel that sufficient time has elapsed since the last general election to enable the government to take credit for increases or discredit for decreases in employment?

**Mr. Pickersgill:** That is an argumentative question.

**Mr. Aiken:** No, Mr. Speaker. The Secretary of State says this is an argumentative question, but I believe we should know now whether the minister takes credit for increases or decreases in the labour force.

BANCROFT, ONT.—PROVISION OF EMPLOYMENT FOLLOWING MINE SHUT-DOWN

On the orders of the day:

**Mr. R. A. Webb (Hastings-Frontenac):** I should like to ask the Minister of Labour what consideration is being given by the government to alternative means of employment in the Bancroft area, in view of the impending shut-down of the Faraday uranium mine.

**Hon. A. J. MacEachen (Minister of Labour):** This morning I had a chance to discuss this matter with representatives of the Bancroft area. The government will naturally apply all its special programs that can be applied to this particular area. The action already taken by the government has been successful in at least postponing the difficulties to which the hon. member refers.

**Mr. Gene Rheaume (Northwest Territories):** May I ask a supplementary question. Does this mean the government will consider naming Bancroft as a designated area?

**Mr. MacEachen:** The government has stated already that these designations will be subject to review periodically, and on the occasion of that review the Bancroft area will be considered for designation.

## INDUSTRY

HEAVY WATER PLANT—REPORTED CALL FOR TENDERS

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, I have a question for the Prime Minister. Can the right hon. gentleman inform the house whether any tenders are to be called for the construction and location of a heavy water plant in Canada?

**Right Hon. L. B. Pearson (Prime Minister):** No, Mr. Speaker; a decision has not yet been reached on that matter.

**Mr. Muir (Cape Breton North and Victoria):** Would the right hon. gentleman either confirm or deny the statement appearing in the Halifax *Chronicle-Herald* allegedly made by his parliamentary secretary that tenders will be called for a heavy water plant?

**Mr. Pearson:** Mr. Speaker, my parliamentary secretary has assured me that the statement attributed to him is inaccurate.

## LABOUR RELATIONS

TRUSTEESHIP LEGISLATION—REFERENCE TO UNITED NATIONS BY U.S. UNIONS

On the orders of the day:

[*Translation*]

**Mr. Robert Beaule (Quebec East):** Mr. Speaker, may I ask the Minister of Labour a question?

Could the minister tell the house which Canadian affiliates of the A.F.L.-C.I.O. shipping trade unions wish to go to the United Nations to seek the abolition of the Canadian trusteeship over shipping unions?

[*Text*]

**Hon. A. J. MacEachen (Minister of Labour):** This question is not within the administrative responsibility of the federal government.

[*Later:*]

[*Translation*]

**Mr. Gerard Chapdelaine (Sherbrooke):** Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Does the Canadian government intend to take the necessary steps or to protest officially so that the fight against the trusteeship under which the Canadian government put the maritime unions will not be submitted to the United Nations, since the matter is a domestic one?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I do not believe that question was addressed to me, but I can answer it by saying that there is no basis whatever for bringing this question before the United Nations. It is a domestic matter, or a matter concerning relations between Canada and the United States; and I would be very surprised indeed if the United Nations would entertain it should an attempt be made to bring it before that body.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, yesterday I offered to bring on the estimates of the Secretary of State for External Affairs tomorrow at 2.30. I would be glad to repeat the offer now in view of the nature of the questioning today, if the opposition would like to consider it.

## FINANCE

INQUIRY AS TO SUPPLY OF SILVER DOLLARS

On the orders of the day:

**Mr. S. Perry Ryan (Spadina):** I wish to address a question to the Minister of Finance. Will the supply of annually minted silver dollars available in the banks across Canada be sufficient to meet the Christmas demand this year?

**Some hon. Members:** Order paper.

**Hon. Walter L. Gordon (Minister of Finance):** I am informed by the master of the mint that despite the limited capacity of the mint it will be possible to issue additional silver dollars for Christmas sale. I am informed the mint has issued more than double the number of silver dollars to date than at this time last year.

The current scarcity of the 1963 silver dollar is due to the unprecedented demand for 25 cent, 10 cent, 5 cent and 1 cent coins. Preference in production is given to these lesser denominations because they are used more in conducting commercial transactions than are the dollar and 50 cent coins.

**Mr. C. S. Smallwood (Battle River-Camrose):** Did the minister take this action on the advice of the hon. member for Red Deer and his supporters?

## GRAIN

INQUIRY AS TO AVAILABILITY OF BOX CARS

On the orders of the day:

**Mr. R. R. Southam (Moose Mountain):** I have a question which I should like to direct to the Minister of Trade and Commerce. In view of the recent admonition of Mr. McNamara, chief commissioner of the Canadian wheat board, to farmers in western Manitoba and eastern Saskatchewan to move their wheat into marketable position, would the minister check into the serious shortage of box cars in these areas which prevents these very farmers from marketing their grain, as is necessary to meet our overseas commitments?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** There is no over-all shortage of box cars. The box cars are being utilized more effectively and on a much greater scale than ever in the past. But, as I have explained on other occasions, there is a great diversity of treatment of various areas because of the necessity of moving as much

wheat as possible to the lakehead in order to meet urgent demands before freeze-up. I am hopeful that after freeze-up it will be possible to move toward much greater equality.

**Mr. Eldon M. Woolliams (Bow River):** Does that policy mean that some marketing points in Alberta, Saskatchewan and Manitoba are being discriminated against because the movement of grain from those points cannot be expedited, or dealt with as fast as it might be from certain other points?

**Mr. Sharp:** I do not know whether it could be called discrimination. It is the necessary consequence of the policy being followed by the Canadian wheat board in an effort to move as much grain as possible out of Canada during this crop season.

**Mr. S. J. Korchinski (Mackenzie):** Does the minister not think it will be preferable to allow those points which are still on the initial quota extra cars so that they may be able to deliver the grain before the snow falls? I have a letter here bearing on this very subject, and I shall be glad to let the minister see it.

**Mr. Sharp:** I shall be happy to bring these suggestions to the attention of the Canadian wheat board. I have discussed this matter with the chairman of the board from time to time. He is very much aware of these complaints, and he regrets very much that it should be necessary for such a great difference to exist, but it is an inevitable consequence of the situation we are now facing. I am sure that by the end of the year all hon. members will be glad that the board has persisted in its policy of moving as much grain as possible.

**Mr. Raymond Langlois (Megantic):** Would it not help in preventing some of this discrimination if the Canadian wheat board had its powers extended from the lakehead on to the eastern provinces so that it might take the grain directly from the western provinces into eastern Canada, and then it would satisfy our needs?

**Mr. Sharp:** This is being done.

EXTENSION OF POWERS OF WHEAT BOARD TO EASTERN PROVINCES

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, first of all I want to thank the Minister of Agriculture for giving me notice he would not be in the house today—

**An hon. Member:** So what else is new?

[Mr. Sharp.]

**Mr. Langlois:** —and also for pointing out to me that he had misunderstood my question yesterday and thought I was referring to the wheat board when in fact I was referring to the board of grain commissioners, which is under his department. I am glad he has learned that from his department. I have a question for the Minister of Trade and Commerce. In view of the serious grievances brought up a while ago by some of the western members, is the Minister of Trade and Commerce considering extending the powers of the wheat board to control the movement of wheat from the western provinces right into the eastern provinces?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I was unaware that my hon. friends on the other side had any grievances against me.

**Mr. Langlois:** A supplementary question. Is the minister up to date? Does he not know that Canadians in the east have many grievances?

## UNITED NATIONS

SOUTH AFRICA—CANADIAN REACTION TO PROPOSED EMBARGO

On the orders of the day:

**Mr. Heath Macquarrie (Queens):** I wish to direct a question to the Secretary of State for External Affairs. Can the minister advise the house why the Canadian United Nations delegation did not support the resolution so strongly endorsed yesterday by the assembly, calling for an embargo on oil shipments to South Africa?

**Hon. Paul Martin (Secretary of State for External Affairs):** The Canadian delegation fully supported the basic aims of the resolution to which the hon. member directs my attention. We support, in principle, its reaffirmation of the right of the people of South West Africa to self determination and independence, and its condemnation of South Africa's persistent refusal to co-operate with the United Nations. We were in favour of a renewed effort to establish the United Nations presence in South West Africa.

The Canadian delegate pointed out yesterday that the imposition of sanctions in specific cases is a matter which, under the charter, reposes in the security council and not in the general assembly. Moreover, in the view of the Canadian government enforcement action by the United Nations should await the outcome of the proceedings presently before the international court as well as the reaction of the South African government to the findings of that court. In our view it weakens rather than strengthens the United Nations if such important principles of orderly procedure are disregarded.

I should like to emphasize the deep concern felt by this government about developments in South Africa. We deplore the application by that government of the policy of apartheid in South West Africa, where it has a duty to administer the territory under international authority in the best interests of the population. The present serious situation could develop in such a way as to call for support by Canada of measures in accordance with the provisions of the United Nations charter to enforce respect for international obligations.

**Mr. Bell:** On a point of order, that answer is an example of why the question period does not work.

**Mr. Martin (Essex East):** May I just say that the question asked by the hon. member for Queens was a vital one. It was one which was dealt with by my predecessor at considerable length. If the hon. member does not fully appreciate its importance, I regret to say he will have to take some time to inform himself of its significance.

**Mr. Bell:** I stand by my statement.

**Mr. Colin Cameron (Nanaimo-Cowichan-The Islands):** Could the Secretary of State for External Affairs explain to the house how it was possible for Canada to express support in principle while at the same time voting against the motion?

**Mr. Martin (Essex East):** The hon. gentleman is wrong in the last statement he made. Canada has expressed strong condemnation of the policy of apartheid, but Canada has taken the position, along with other countries, that the imposition of sanctions is a responsibility given under the charter to the security council and not to the general assembly. Because Canada believes in observing the constitutional practices and provisions of the charter, this does not mean that our condemnation of the policy of apartheid as practiced by South Africa is, on that account, less sincere.

**Mr. Douglas:** Does the minister not think that the other members of the United Nations who voted in favour of this sanction are as concerned about the jurisdiction and the correct functioning of the United Nations as the Canadian government and its representatives?

**Mr. Martin (Essex East):** I would not want my answer to the hon. gentleman's question to be interpreted as a reflection on the action taken by those states which did not agree with the position we have taken juridically. But the fact is—and the hon. member as a student of these matters knows this to be the case—that responsibility for sanctions rests with the security council. The African states feel, naturally, very keenly about the policies of discrimination which are being applied in South Africa. It is understandable, since they wish to express their deep condemnation of those policies of discrimination, that they should in the circumstances have pursued yesterday's course. However Canada, as a loyal member of the United Nations, considers that the integrity of that body presupposes a recognition of established constitutional procedures in order to maintain the organization as an effective instrument for peace.

**Mr. W. B. Nesbitt (Oxford):** I should like to direct a further question to the Secretary of State for External Affairs. Does the Canadian delegation intend to abstain on the resolution soon to be brought before a plenary session of the general assembly opposing racial discrimination, or will Canada continue to cast a vote of abstention as it did in the third committee?

**Mr. Martin (Essex East):** Mr. Speaker, the Canadian government gives consideration to the positions it is going to take, and it is not the custom to announce policy in this house before that consideration is completed, even if a course is recommended by an hon. gentleman sitting to Mr. Speaker's left.

## POST OFFICE DEPARTMENT

REQUEST FOR STAMP COMMEMORATING FOUNDING OF 4-H CLUBS

On the orders of the day:

**Mr. George Muir (Lisgar):** Mr. Speaker, I should like to address a question to the Postmaster General. Is it the intention of the Postmaster General to have a stamp issued commemorating the 50th anniversary of the birth of the 4-H clubs in Canada, which took place at Roland, Manitoba, in 1913?

**Hon. Azellus Denis (Postmaster General):** No, Mr. Speaker.

## ADMINISTRATION OF JUSTICE

HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, in the absence of the Minister of Justice I wonder if his parliamentary secretary has an answer to the question I asked yesterday concerning Mr. Banks being absent from the jurisdiction while on bail.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** I regret that I have not got an answer today, but I will bring it to the minister's attention when he comes back.

## CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO CHECK ON LANGUAGE USED ON PROGRAMS

On the orders of the day:

**Mr. E. Nasserden (Rosthern):** I have a question for the Secretary of State. I wonder if he could let us know if there is any authority that scrutinizes C.B.C. radio and television programs to determine the decency and good taste of the language that is used on these programs?

**Hon. J. W. Pickersgill (Secretary of State):** I regret very much that I could not hear the hon. gentleman's question. I will read it in *Hansard* and endeavour to reply tomorrow.

## TRADE

TOBACCO—INQUIRY AS TO REPORTED SALE TO JAPAN

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** I should like to ask the Minister of Trade and Commerce if he is now in possession of information which would enable him to answer the question I put to him yesterday concerning the possible purchase of Canadian tobacco by the tobacco monopoly of Japan.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Yes; I was looking to catch your eye, Mr. Speaker, to answer the question. We have received no advice as yet from the Japan monopoly corporation, which controls the purchase and importation of tobacco into Japan, that they have decided to purchase Canadian tobacco. However for some time my department has been attempting to convince the Japanese authorities that Canadian tobacco is suitable for their requirements and, in this connection, we are sponsoring a small Japanese trade mission to Canada for the purpose of acquainting the appropriate Japanese monopoly officials with the Canadian tobacco industry. This mission from Japan will arrive in Canada next week.

## TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

AMENDMENTS RESPECTING PAYMENTS TO PROVINCES, ETC.

The house resumed, from Wednesday, October 2, consideration in committee of the following resolution—Mr. MacEachen—Mr. Lamoureux in the chair.

That it is expedient, as a means toward the further development of manpower in Canada and toward increasing employment opportunities for Canadians, to introduce a measure to amend the Technical and Vocational Training Assistance Act:

(a) to provide that in respect of the costs incurred by a province as training allowances for unemployed persons, the contributions payable by Canada to the province be increased from 75 per cent to such percentage, not exceeding 90 per cent, as may be specified in the agreement made under the act between the Minister of Labour and the province;

(b) to provide in respect of the costs incurred by the province for such part of the program for training employed persons in industry as may be specified in the agreement, the contributions payable by Canada to the province be increased from 50 to 75 per cent thereof;

(c) to extend, until such date as may be specified in the agreement made under the act between the Minister of Labour and the province, the period during which the contributions payable by Canada to the province will be 75 per cent in respect of costs incurred by the province for capital expenditures on training facilities; and

(d) to increase the number of members of the technical and vocational training advisory council from twenty three to twenty eight and to provide an honorarium for the chairman thereof.

**Mr. Starr:** Mr. Chairman, when the government introduced this resolution for consideration by this house on October 2, the parliamentary secretary to the Minister of Labour, the hon. member for Kootenay East, made a statement on behalf of the minister. Amongst other things that day he said this resolution set forth the government's new employment and manpower development program. This is indeed a surprise, when the government describes this resolution as a new employment and manpower development program. This has been the habit of the government since it took office, to adopt all those good programs that were put on the statute books of this country and camouflage them to the extent that they describe them as new. Later on he said these measures are designed to improve the federal-provincial program of technical and vocational education.

Well, there is nothing in the statement or in the resolution itself to show what the improvement will be, except that the government is agreeing by this alteration of the existing legislation to increase the federal contribution. I should like to deal with this matter item by item as set out in the resolution.

I want to say, first of all, that this resolution does not introduce any new or improved legislation. All it does is raise the federal government's contribution in order to carry on the program the Conservative government initiated and pressed forward from 1960 on. I immediately say to you, Mr. Chairman, that this last observation of mine is generally looked upon in this session of parliament as a sort of partisan statement. There seems to be a new point of view in parliament, at least this session, that partisanship should not have any place in this house. Well, I recall

the days when government members were sitting on this side of the house, and they claimed that if partisanship had no place in parliament then parliament would almost die on its feet. I think it is only normal and natural that those who are in the opposition should criticize the government, and should also take advantage of the opportunity to point out that they inaugurated programs of this type when they had the opportunity.

I feel, too, that when one is referring to what has been done in the past the record should be kept straight, and that any misleading or camouflaging statements by this government should be challenged. The parliamentary secretary to the Minister of Labour went on in his statement to say that the provision of capital facilities for the training of youths and adults under the Technical and Vocational Training Act of 1960 is far from complete in many of the provinces. It is therefore important to continue a high level of federal financial assistance to those provinces which still need to develop extensive training facilities.

In this statement there is an admission by the government that this is not a new program, but rather that the program should be continued in order to provide additional facilities in those provinces that did not avail themselves of that opportunity in the period from April, 1961 to March 31, 1963. However, it is regrettable that in his statement the parliamentary secretary failed to set out what has been done in this school building program since that time.

Before we launched into this program we asked the provinces to set out what they considered would be their facility needs for the next five years, and it is interesting to note their responses to this query. Newfoundland stated that it would need some $6,300,000 worth of facilities, Prince Edward Island $750,000, Nova Scotia $9 million, New Brunswick $9.5 million, Quebec $53.5 million, Ontario $50 million, Manitoba $9.5 million, Saskatchewan $6.5 million, Alberta $28 million and British Columbia $19 million.

We of course set out to plan and provide for these needs. What has happened since then? There has been a total projects estimated cost of $511,274,390, and the federal government contribution has amounted to over $326 million. A total of 519 projects were completed in that time, including 254 new schools, four technical institutions and 47 trade schools, providing space for some 138,000 students each and every year.

When this program was nearing completion the ministers of education for the provinces met with me here in Ottawa, and only the province of Quebec felt it had not had its full share of the program. It was pointed out to Quebec that there was no ceiling set on the amount of money available for the construction program, but that it was left to each province to proceed with its required needs as it foresaw them during that period of time. I may immediately say all but one of the provinces signed the agreement with the federal government some time in April, 1961, but Quebec did not sign an agreement until six months later. Therefore it is understandable that Quebec did not proceed as rapidly with this program as some of the other provinces, particularly Ontario.

In his statement the parliamentary secretary set out the policy to guide the federal government in its contribution of 75 per cent, and the basis upon which this contribution would be considered, having as a ceiling $480 per capita applicable to the population in the age bracket of 15 to 19 years. Evidently this has been based on the amount of construction which has been carried out in the province of Newfoundland.

I decided to work out how much money would be available to each province as a result of this new formula, having in mind what the federal government had already contributed to this program ending on March 31, 1963. It is discovered that from now until March 31, 1967, Newfoundland will have been overpaid by some $17,000. Prince Edward Island will have some $2 million in contributions from the federal government coming to it in the next four years. Nova Scotia will have $24 million coming to it, and New Brunswick will have a credit of some $20.5 million. Quebec will have a credit of $199 million, Ontario $9 million, Manitoba $29 million, Saskatchewan $26.5 million, Alberta $10.5 million and British Columbia $40.5 million. The Northwest Territories will receive some $751,000 and the Yukon will have been overpaid or overdrawn on this program by some $312,000.

These figures are approximate, but when you examine them you will note that some of the smaller provinces in the maritimes will have a sizeable credit coming to them between now and 1967. But you must also consider that they have to put up 25 per cent of the cost of construction of these schools. Therefore the question arises to what extent will these provinces avail themselves of this program in addition to what they have already done? How far can they extend their financial resources to take advantage of this program?

Ontario certainly cannot do very much. All that is left coming to it is some $9 million, so its building program between now and

1967 will be very slight. Quebec is the outstanding province and can avail itself of some $199 million in federal contributions. It is all well and good.

In the field of training the unemployed, and this has been a very worth while effort, we increased the federal contribution by 25 per cent. Until 1960 very little training was carried out in this area. In the year 1959-60 some 4,638 people were trained; in 1960-61 this figure increased to 10,774 because of the increased federal contribution to the provinces; in 1961-62 the number of applicants trained was 26,887. Then in the last year, 1962-63, some 38,439 people were trained. One might reasonably criticize this figure and say it is not sufficient, and I would be inclined to agree. I think this program is very worth while and should be accentuated. However, one can immediately see that the action taken in 1960 has increased the number of people trained under this program by some 34,000. This is indeed a worth while program; because those who find themselves unemployed, whether they are young or more elderly, can benefit from the courses that are provided under this program.

Under this resolution the government proposes to increase its share by 15 per cent; that is to say, from 75 per cent to 90 per cent. I would like to spend just a moment or two making some observations in respect to this program of training the unemployed. It has always been a puzzle to me why this program was not endorsed by organized labour, and particularly the Canadian Labour Congress. In reverse, however, there has been a great deal of criticism stemming from some hon. members. It was pointed out at one time that this program was so unco-ordinated that in one instance nine welders were trained by an experienced welder and then they all became unemployed. This story was repeated in the election campaign by some hon. members who now sit on the treasury benches. I think they did a great disservice to this program, because I think if everyone co-ordinated their efforts to make it successful, many thousands of Canadians would benefit.

I would like to cite as an example the city of Cornwall. This city was left in the position where it had a great many unemployed after the completion of the St. Lawrence seaway, first of all, and then because of the closing down of a textile mill. However, people were not despondent about the situation. They gathered together and organized, and every part of their economy grouped together in one combined effort. They were able—and they did not have to try very hard—to persuade the provincial and federal governments to take part of this mill, convert it into classrooms and provide $85,000 worth of equipment in order to retrain their people. I think 800 people were retrained, and 90 per cent of them were placed in jobs as a result of that retraining program in this area. The amazing thing is that the program that was instituted in Cornwall brought to that city two new industries, because they were able to train people and provide the skills required by those industries. Therefore I think all of us in this country should give encouragement to this program in order to help those who need new skills and trades.

I attended the opening of this training school in Cornwall, and I was very much impressed to find a gentleman who was 62 years of age working on a lathe alongside a young man 19 years of age. I was curious about the elderly gentleman and asked him whether he was learning machine work at his age. He said "I used to be a machinist in the old days, but I have not engaged in this trade for quite a number of years. However, I find myself unemployed and I am here taking this course in order to brush up, because I now have a job available to me". So this program is not just for the purpose of training young people; it has had the effect of inducing older citizens to take part in this retraining program in order to reinstate themselves in employment.

There are a number of things in this resolution to which we could refer. One is paragraph (b), under which the government proposes to increase by 25 per cent its contribution to the provinces for the training of employed persons. This is very necessary. We started a pilot project in the town of Leaside, in which three industries each contributed ten employees, making a total of 30 students, in order that they might upgrade themselves and learn those skills that were required for this upgrading. I think that pilot project will be of great help to industry in the retraining of people in order to provide them with better jobs and consequently better financial remuneration.

I think this program is one that will be the basis in our battle, in the war that we are waging to provide jobs for Canadians and to alleviate the unemployment situation in this country. I think we have taken forward steps in this regard. I do hope that the provinces will avail themselves of this additional 15 per cent increase, to 90 per cent, and establish more training centres in order to provide training facilities for those who find themselves unemployed. Education is a very worth while thing. Not very many years ago we in this country particularly were stressing the three "R's" type of education; that is to

say, in the academic field. It has been somewhat difficult to sell people this new type of education upon which we launched in 1960. However, I think people now understand that every person in this country cannot apply himself to academic training, but many have certain skills with their hands and could usefully perform these skills. We must of necessity provide this opportunity.

For many thousands of Canadians education is the frontier of the future, and I feel certain that technical and vocational training forms a very essential part of that frontier. I had always believed that in no single field is a concerted, co-operative effort on the part of provinces and the federal government of more importance to the future of the development of our country in this regard. Education, of course, is subject to fads, just as any other branch of human endeavour, and for many years a classical and academic education represented the ultimate achievement for many young people in this country. But the pendulum has swung back in the last few years, and there is a new emphasis on those branches of knowledge relating to the technical and the practical which in the past were neglected except for the efforts of a few pioneers. One need only travel across the country today and visit some of these schools which have been opening and are opening at this moment to receive a tremendous revelation at what is being done. One would be very impressed indeed at the enthusiasm of those who are taking their places in these schools and learning the skills and trades afforded to them.

Criticism was made at the beginning to the effect that many of these schools would be half empty, that the enrolment would be insufficient to fill the classrooms. On the contrary, most of the schools which have been opened have waiting lists, and I think this condition will be accentuated. Certainly where it is greatly accentuated the provincial authorities should take steps to provide more facilities for those who want to avail themselves of this type of education.

There is a new recognition, Mr. Chairman, of the place in society of those whose genius is along practical lines. Opportunity is being provided for those who are doers as well as those who are thinkers. This is only fitting in face of the impressive and revolutionary accomplishments of the physical and technological sciences in recent years. In the physical sciences man, having spanned the earth, has now taken the first step toward spanning the universe. In technology we are moving toward a state of affairs where new electronic and mechanical processes will eliminate the routine processes of production in so far as men and women are concerned. But in that elimination of what is routine will be posed the challenge to our working force to adapt itself to operations demanding skills of a high technical quality. This, of course, means the acquirement of basic skills and a high degree of adaptability and mobility in our labour force.

I said earlier in my remarks, Mr. Chairman, that we are providing an educational plant capacity for more than 139,000 additional students. This is over the accommodation which was available only three years ago. A program of this type cannot be conceived in terms of money alone. This has cost the federal treasury many hundreds of millions of dollars, but it is a worth while expenditure when we are investing in the future of our citizens. When we do that we are investing in the future of our country. Therefore I say that this program must not be conceived only in terms of money but in terms of what it can accomplish in the upgrading of our labour force and in bringing about a condition where those in the labour force, rather than being at the mercy of the sudden shifts and changes of the automation age, will be able to play a constantly expanding role in production.

I must repeat that during the last parliament we introduced a bill, No. C-83, with respect to industrial change and manpower adjustment. In doing that I thought we were moving in the right direction to deal with those who would be displaced by automation. We tried to make that bill as flexible as possible in order to fit into the conditions of any industry which would avail itself of the services thus provided. We felt that we must bring to the attention of those who would be affected by such technological change the services available to them under the bill, and we intended to do this by calling a national conference of employers and unions in order that they would have the opportunity, based on their own experience, to offer to us suggestions upon which we would base our regulations in respect thereto. I only regret that the government has seen fit to abandon this item of legislation.

**The Deputy Chairman:** Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

**Some hon. Members:** Carry on.

**The Deputy Chairman:** Is it agreed that the hon. member shall continue?

**Some hon. Members:** Agreed.

**Mr. Starr:** I can only regret, Mr. Chairman, that the government has not seen fit to reintroduce that bill but rather is proceeding now under agreements with the provinces. I do not think it will have the same success in capturing the imagination of the people of this

country as had the previous bill, which received many favourable comments from all parts of the country and from all segments of our economy.

These programs for conducting training cannot be treated each one in isolation. They must all be taken together and dovetailed in mutually complementary fashion. However, I am sure that with the progress we are making in providing training facilities across the country, in placing trained students in the working force, in encouraging industry to produce in Canada, and in encouraging labour and management to work together to cope with the far reaching shifts and changes which must be faced if we are to remain competitive—with all these things we are working toward a better and brighter world of tomorrow in which those who are engaged in production will offer a contribution which will be both more efficient and more valuable to the economy as a whole.

I should like to say at this time, Mr. Chairman, that I feel that boards of education in our cities, towns and areas of our townships who play a part in the construction of these particular vocational schools, in addition to the high schools, should be congratulated for their co-operation and their clear-sightedness in launching upon this program in co-operation with the federal and provincial governments.

The teaching staffs have been a problem in this whole area. For those provinces which availed themselves of the opportunity offered by the federal government in its contribution of 50 per cent toward the cost of training those teachers there has not been as much difficulty as others have experienced. It was reasonable to assume that there would be a shortage of teachers, because when you are providing only the short space of time which has been provided under this program you must certainly launch yourselves on a crash training program of teachers. But that is not the only profession in which we have a shortage in this country. There is a continuing shortage of nurses, and there are shortages in other fields of endeavour as well. I think we have done well in providing teachers to staff these schools.

These are in total my remarks today. I hope the government does not lose its drive. I hope it does not allow the momentum in this area to diminish, but that the Department of Labour and its minister will keep on top of all these things and encourage the provinces to take advantage of these incentives which the federal government has offered during all these years.

**Mr. Webster:** The hope has been expressed that at the resolution stage of this bill a contribution by one speaker from each party will suffice. We agree, on the understanding that there will be no such voluntary restriction of debate on second reading. I am sure a number of hon. members will speak at that time.

It is the responsibility of this parliament to strengthen the capacities of our people in order that they may make a maximum contribution to our economic growth and our cultural advancement. I and my colleagues in the New Democratic party are pleased to support this resolution, which is designed to improve existing provisions for vocational and technical training across this nation. Education, not of the few but of the masses, is essential in the twentieth century. To attain this objective there is urgent need of more facilities and more effective training of our young people. Today, Canadians are not a well educated people. According to recent labour statistics only 32 per cent of our students complete high school; fewer than 10 per cent enter university; only 4 per cent graduate from an institution of higher learning.

In the technical field the story is the same. Canada has never trained enough manpower to meet the needs of industry. One out of every three Canadian youngsters leaves school totally unprepared for work. This constitutes a national catastrophe. The real tragedy lies not so much in the cost of unemployment and welfare benefits but in the loss to the nation of the abilities of mind and hand of thousands of able young people. In five skilled occupations recently studied, one third of the men were trained outside this country. Records indicate, too, that the flow of this type of immigrant is slowing up because of favourable economic conditions in Europe.

The following editorial appeared in the *Globe and Mail* of July 6, 1963:

> Education has so consistently held the spotlight of attention during the past few years that most people have been under the impression that Canada was taking large strides in the field, and that the children of the nation were being graduated into the working force with more and better education than ever before. It comes as a shock, therefore, to discover that the number of school dropouts is on the increase and that more young people are being turned out every year without the education or the skills to make an adequate living.
>
> This gloomy picture emerges from a survey conducted by the Ontario department of education and the national employment service of students who leave school early, and of their employment prospects. The survey discloses that 36.4 per cent of students, who left school in Ontario in 1962, earned neither certificate nor diploma.
>
> The employment side of the survey indicates that the fate of these early school-leavers is to spend their lives chasing unskilled and semi-skilled jobs in a world where such jobs are becoming progressively fewer and in which they can look forward, therefore, to frequent periods of unemployment.

What can we do to raise educational standards among the working force of Canada? In seeking an answer I suggest seven points as worthy of consideration by educational authorities:

1. Parents must express an appreciation of the value of education in terms of employment and future happiness and income. Youth must be convinced that to be uneducated is to be handicapped for life. They should be told that only 30 per cent of the jobs in Canada are available to the unskilled or semi-skilled workers, and the number is decreasing rapidly with the advancement of automation. Recently Professor Marcus Long of Toronto predicted that automation will make any student without grade XII education unemployable within ten years. Young people should be encouraged to remain in school until they possess skills that are currently in demand.

2. Greater prestige must be associated with occupational education in Canada. Unfortunately, too many people are inclined to look down on hand work even in a very specialized field. We should remember that our complex society cannot function without many different varieties of highly trained personnel. Without downgrading academic achievement we should elevate the status of the skilled artisan. Prejudices by parents against vocational courses are foolish and antiquated. They try to make professional types out of boys best fitted to become mechanics, technicians and tradesmen. Too frequently, as a result, they end up academic failures and embittered unemployed.

3. A critical assessment needs to be made of the courses of study in our vocational and technical schools. Narrow specialization to the exclusion of general knowledge should be avoided in order that the student may develop a flexibility of mind that permits a shift from one job to another with a minimum of difficulty. His training needs to be as up to date as possible and related to the dominant needs and interests of the community in which he lives.

4. More qualified teachers and administrators should be attracted to the new technical schools which are being opened across Canada. It is urgent that we should train an increasing number of science teachers if we are to take advantage of the fast developing technological revolution in North America.

5. Importance of continuing education must be emphasized for all ages. More facilities for trade and occupational classes at post-high school level should be provided. In an era of rapid change there is no better insurance for the worker and the citizen than to improve his skills and add to his knowledge and experience at every opportunity.

6. Training programs will be successful only if there is the closest co-operation between federal and provincial authorities in the field of education. The final decision in such matters must always rest with the provinces. There must be no suspicion of domination by Ottawa.

7. Closer partnership is needed between the school and industry. The activities of the classroom should be co-ordinated with those of the workshop. According to a recent report only 31 per cent of manufacturing establishments in Canada had any training program at all designed to assist a boy to fit into his first job.

In a recent article entitled "Employers' Role in Job Training", J. Bascom St. John wrote as follows:

> Far too little responsibility for the transition from school to work is taken by employers. An incredibly small proportion of them have any special training program, or any system of induction into work methods or skills.
>
> They take a boy from school, let him flounder in an unfamiliar environment and if he does not happen to light on his feet they get rid of him. Nothing the school might have done, or could do, will get over the problem of the irresponsible employer. No guidance program or teaching pattern can prevent the harm that selfish employers do when the schoolboy enters the world of work.
>
> We expect far too much from our schools if we assume they can do the whole job of work training. You learn the techniques of work by working, and it is through a partnership between the schools and employment that the most effective progress may be made in meeting the needs of skill and the special training for work in the technological era.
>
> The question of the relationship between education, work, citizenship and national economic and employment policies cuts through all aspects of our society. The schools ought not to be asked to carry the burdens that other interests are too lazy or too unimaginative to deal with.

Finally, I wish to say that facilities relating to training in the occupational field are as important to the future economic strength and social well-being of Canadians as those in the areas of secondary and higher education. All obstacles must be removed to permit not only youth but men and women of any age to take full advantage of the educational opportunities available in this country. If we are wise we shall determine to provide for these purposes in the future a larger percentage of our gross national product than we have been willing to do in the past. Education must be given a higher priority in our national thinking and our national planning.

[*Translation*]

**Mr. Beaule:** Mr. Chairman, I feel the members from Quebec must give very special attention to the resolution under consideration

which would amend the Technical and Vocational Training Assistance Act.

I cannot but take advantage of this opportunity to point out the complaints of the province of Quebec in connection with that act. It is unfair and discriminatory with regard to Quebec, and if the minister does not make the necessary changes, we shall bring in amendments to protect the interests of the province of Quebec.

The Quebec minister of youth, the Hon. Paul Gerin-Lajoie, released last winter a statement regarding the capital expenditures contemplated under that act, from April 1 to November 5, 1962. The figures quoted by the minister are revealing; they show that Quebec's share is only 3.3 per cent of the total number of students covered by that act throughout Canada, whereas Ontario's share amounts to 73.1 per cent.

Out of a total of $511 million—and these are recent figures published by Ottawa—the province of Quebec got only $25 million, or 5 per cent of the total, whereas Ontario got over $200 million, or 40 per cent of the total.

We claim it is unfair that our province should have to pay its share of federal taxes, when other provinces benefit from them to a larger extent.

Mr. Chairman, that act, which was passed in 1960 and gives such results, works entirely against the interests of the province of Quebec because it is based on discriminatory and unfair principles. In fact, as it stands now, that act is tailored according to the needs of the English system in the other provinces of Canada and does not suit the province of Quebec whose education system is entirely different.

In Ontario, for instance—and I suppose also in other English speaking provinces—secondary vocational schools are part of the high school system. In that case, the federal law applies, and we see that the province of Ontario received grants enabling it to build almost 200 high schools and vocational schools.

In Quebec, secondary educational institutions, like elementary schools, are not under the government but under the public education council. In that province, vocational schools, whether they be trade schools or other schools, are not considered government institutions as in other provinces. Consequently, if federal grants cannot be used for technological institutes and trades schools, in the province of Quebec, whereas they are used also for secondary vocational schools in Ontario and other English speaking provinces, we have here a discrimination which the Liberal and Conservative members let go through at the time.

It is therefore not suprising that the province of Quebec is unable to take full advantage of the federal technical and vocational training program, because its educational and professional training system differs from that of other provinces.

Here is what the Quebec minister of youth, the Hon. Paul Gerin-Lajoie, had to say on that point at a meeting in Dorion, last March:

The problem with regard to federal assistance in the building of training centres is the following:

1. Ottawa contributes in the same degree to the financing of training centres and to the financing of technical and vocational schools;

2. The federal contribution is always proportional to the provincial government contribution;

3. In every province except Quebec, training centres are subsidized by the provincial government only;

4. In Quebec, however, the apprenticeship centres are developed not only with Quebec subsidies, but also with subsidies from the apprenticeship commission, a joint employer-employee body unparalleled in Canada;

5. Therefore, Ottawa subsidizes apprenticeship centres in Quebec only according to the provincial government contributions and not according to the total grants paid out to training centres.

In the light of the treatment meted out to Quebec, Mr. Gerin-Lajoie speaks of discrimination.

"To date, the federal government has refused to contribute to the financing of apprenticeship centres in Quebec to the same extent as it does to the financing of technical and vocational schools.

Ottawa does not take into account the expenditures made by the Quebec apprenticeship commission out of its revenues for the setting up of apprenticeship centres."

The minister responsible for education said that an end must be put to such discrimination at any cost; indeed it is a repetition of the one created by Ottawa's refusal to continue for a certain period its 75 per cent contribution to technical and vocational training in general. Because of that refusal, the contribution is brought back to 50 per cent without Quebec having had by far the same opportunity as Ontario to take advantage of supplementary grants.

Then, stressing the importance of the report of the committee for the study of technical and vocational training, Mr. Gerin-Lajoie came to the conclusion that the main thing was to adapt our educational system to the needs of our economic development.

In conjunction with economic development, we must, he said, "train our young people in relation to the special requirements of modern industry and business...So, I find it particularly significant that the first building under construction in the first youth centre should be a training establishment, precisely an institution where education and work are directly related."

Here is, Mr. Chairman, another statement published in *Le Devoir* of February 16, 1963, which reads as follows:

Deficiencies in federal assistance to vocational training. Grits and Tories in Ottawa largely responsible.

In Ontario and other provinces, some form of vocational training is given in vocational schools which are part and parcel of the high school system. In Quebec, vocational training and technical courses are given in trade schools, training centres and technological institutes which are not part of the high school system.

Consequently, Ontario has been able to use—

At that time, that is on February 16, 1963.

—$186,700,000 from the federal treasury to build and improve 207 vocational schools, 7 technological institutes and 14 trades schools to meet the needs of a school population of 93,056 students.

On the other hand, the province of Quebec was able to use only $13,600,000 in federal funds to build 3 institutes...

...To give justice to all the provinces, the federal government has only to amend its act and I would say that it should.

It can do so in various ways. First, it can adopt an equalization formula or use the formula which existed previously in that field: giving federal grants in relation to the number of students or young workers between 14 and 19 in each province.

Another way to right an obvious injustice with regard to Quebec is to allow it to receive federal grants for training centers now in existence.

Here is what the Quebec minister of youth stated in Quebec city at the conference of the education ministers of the ten provinces:

The minister of youth said yesterday that the decision of the federal Minister of Labour to extend for six months only the agreement by which Ottawa pays 75 per cent of the construction cost of technical and vocational training schools is a provocation.

That federal contribution was to be reduced to 50 per cent by April 1, 1963; but the education ministers from all the provinces had asked for a continuation of the 75 per cent contribution until 1967.

To that request, the federal minister, Mr. Michael Starr answered on Thursday by offering a six month extension for works started before October 1 and for which contracts had been awarded before April 1.

Mr. Paul Gerin-Lajoie, chairman of the conference of the education ministers of the ten provinces stated yesterday that Mr. Starr's decision did not meet in any way the request made by all the provinces.

"As far as Quebec is concerned," he added, "far from being a solution to the problem, such a decision appears as a provocation. It will favour even more the provinces which are already engaged in a large construction program."

In fact, explained the minister, as far as the development of technical training is concerned, Quebec finds itself today in the situation which confronted the province of Ontario in April 1961.

"Moreover," said Mr. Gerin-Lajoie, "it must be realized that the implementation of a vast program of physical development in the field of technical education (which will cost hundreds of millions of dollars and will mortgage the future for many years) must not be considered as an obstacle race between the provinces".

Federal moneys should not be intended as a reward to provinces succeeding in completing as soon as possible a building program—especially not when they are in an uneven position at the start.

The federal program for assistance to technical training should be designed rather as a means to solve the problem of labour training throughout the country.

In order to achieve this goal, the ministers of education of the ten provinces jointly urged the federal government to review the existing agreement.

Mr. Chairman, there is another point of divergence between the province of Quebec and the other provinces; this difference can be found also in the concept of vocational training.

Vocational and technical training means any kind of education aimed at preparing a person for a profitable job in a primary or secondary industry or a profitable employment in the service industry, or at increasing his skill or technical ability in a similar job or employment. And, without restricting the generality of the foregoing, this includes the training thus directed in relation to any of the following industries or employments: agriculture, fishing, forestry, manufacturing, mining, communications and, as a general rule, any primary or secondary industry or any employment in a service industry which asks for a knowledge of scientific and technical principles, and their application.

Therefore, any intelligent person can conclude that vocational training, whether it is given in factories, in private institutions or in state schools, qualifies as vocational training within the meaning of the present legislation.

There is in the province of Quebec a vocational training system which is controlled not by the department of youth but by the department of labour.

Under the jurisdiction of the department of labour, there are training centres for all building trades in Montreal, Sherbrooke, Quebec city, Joliette and Chicoutimi. There is a school for shoe workers in Montreal and other vocational training institutions of a public character, for they do not belong to individuals but to professional bodies.

Those professional institutions give a better vocational training, according to several experts, than the state-owned trade schools and institutes of technology.

In 1960, 846 regular day students attended the only building trades school in Montreal, and since this centre was built in 1946, 15,446 apprentices and journeymen have taken refresher courses.

It should be recalled that since that date, this body has contributed $4,044,314 to provide vocational training for construction workers, while the contribution of the provincial government was only $375,000, or an annual subsidy of $25,000.

Now, there are no real vocational schools in the other provinces. As a result, there is no provision in the present federal legislation for a federal contribution or assistance to those schools. This is discriminatory to the province of Quebec which has very special institutions that it intends to preserve and with which employers and workers are entirely satisfied.

Mr. Chairman, since the resolution does not contain anything to make up this deficiency in the act, I move, seconded by Mr. Gauthier:

That this house urge the federal government to hand back to the provinces, except those which prefer the status quo, a percentage of the income

tax equal to the amounts the federal government would otherwise pay them as its contribution to the vocational and technical training assistance program, in order to enable the provinces to set up their own vocational training system as they see fit.

The amendment is in French and in English. The English version is a translation of the original amendment.

[*Text*]

**The Chairman:** The hon. member for Kindersley.

**Mr. Pickersgill:** There was an understanding, I believe, Mr. Chairman, that there was to be one representative from each group. I think the hon. member for Medicine Hat stood up.

**The Chairman:** I appreciate that. I might mention that I came to the chair rather late in the proceedings. I did not realize a representative from the group to which the hon. member for Medicine Hat belongs had not spoken as yet. Perhaps the hon. member for Kindersley will not mind, therefore, if I recognize the hon. member for Medicine Hat.

[*Translation*]

**Mr. Gregoire:** About the amendment—

[*Text*]

**The Chairman:** Yes, this is a matter I have to look at.

**Mr. Olson:** Perhaps, Mr. Chairman, while you are considering the amendment I could begin.

**The Chairman:** There is an amendment which has been proposed by the previous speaker, and perhaps I should read it at this time.

**Mr. Pickersgill:** You are just reading it; you are not putting it as yet?

**The Chairman:** No, I think I should read it first.

[*Translation*]

It is moved by Mr. Beaule:

That this house urge the federal government to hand back to the provinces, except those which prefer the status quo, a percentage of the income tax equal to the amounts that the federal government would otherwise pay them as its contribution to the vocational and technical training assistance program, in order to enable the provinces to set up their own vocational training system as they see fit.

[*Text*]

**Mr. Pickersgill:** I should like to reserve the right to say a word at the appropriate time about whether or not the amendment is in order. Perhaps the hon. member for Medicine Hat wants to proceed in the meantime.

[Mr. Beaule.]

**The Chairman:** Is this agreed? The understanding we have now is that we will allow the hon. member for Medicine Hat to make his contribution, subject to the Chair having the opportunity to look at the amendment and decide whether or not it is in order. Perhaps I could hear argument from hon. members on this point in due course.

**Mr. Olson:** I wanted to say just a few words, Mr. Chairman, on the resolution before the amendment is put. At the outset, I want to say that my remarks will be brief because, as will be found by referring to page 3353 of *Hansard* for last February 1, we did spend some time outlining the views of this party in respect of technical and vocational training generally.

We are now presented with a formal and considerably more specific resolution to take some legislative action in four separate fields. We agree that there is a need to train and retrain a large number of people who, from time to time, find themselves unemployed because they lack skills that are required for the jobs that are available.

If we accept the premise that it is the responsibility of the federal government to take action in respect of unemployment, then we have to accept the provisions in this resolution and agree that they will go some distance towards meeting the problem.

At this time I think it would be fitting for me to repeat the commendation I made with respect to the former minister of labour when he established the technical and vocational training program. It was a good move, and from it came an admission by the federal government that it had some responsibility and was prepared to spend some money. However I am convinced that both provincial and local authorities have had to do almost all of the spadework and research work in formulating programs to meet their needs.

I am not going to repeat a lot of what I said. We are basically in agreement that there is a federal responsibility and that the various items in the resolution before us do meet some of the need. However I would like to point out, and this may be relevant to the proposed amendment, that in this field of vocational and technical training lies a tremendous opportunity for Canada to do something constructive in the field of foreign aid.

I remember last year being a member of a delegation from the commonwealth parliamentary association, Canadian branch, that went to Africa, and I was impressed by the lack of technical people required to keep the African economy moving and to expand it in the way which the African peoples want to see it expand. When we mentioned to some

Nigerian officials that Canada had embarked on a large vocational training program they were very interested, and suggested the possibility of sending some of their bright young people here to participate in it, young people who would go back to their own country and be of assistance there. If we did this we would be helping them to help themselves.

**Mr. Gregoire:** Mr. Chairman, on a point of order—

[*Translation*]

Mr. Chairman, it being nearly five o'clock, and before adjournment of the debate, would it be possible to ask you to reach a decision regarding the proposed amendment? I am of the opinion that this would be more consistent with the rules.

[*Text*]

**Mr. Pickersgill:** Mr. Chairman, I do not think the hon. member for Medicine Hat had concluded.

**Mr. Olson:** No, but I had very nearly.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, that is my very point. If the hon. member for Medicine Hat asks you to call it five o'clock, we shall not have the opportunity to discuss whether the amendment is out of order or not.

**The Chairman:** The hon. member will understand that there are barely two or three minutes left before this debate comes to an end.

Moreover, there will be no limitation or restriction whatsoever on the debate as to whether the proposed amendment is out of order or not when this measure will be considered again, tomorrow or later on. Therefore, it seems to me that it might be more convenient to allow the hon. member for Medicine Hat to complete his remarks, and we could discuss later on whether the amendment is in order or not when the question is up for debate again.

**Mr. Gregoire:** Mr. Chairman, I think it would be more appropriate as regards the business of the house, to deal with the amendment first, before other members give their views on the subject. I believe that it would be more in order.

**The Chairman:** It is almost two minutes to five o'clock now, and should we let the committee members express their opinion, they could not possibly do it during the two or three minutes that are left.

**Mr. Gregoire:** Mr. Chairman, may I ask the unanimous consent of the house so that we could go on dealing with this point, even after five o'clock, in order to settle this matter today?

[*Text*]

**Mr. Pickersgill:** Mr. Chairman, I think the intervention of the hon. member for Lapointe is completely unjustified. No one interrupted any other hon. member. The committee agreed to let the hon. member for Medicine Hat proceed and complete his speech, as other hon. members had done, before we considered this point. I do not think any one of us should interrupt him, any more than the hon. member for Quebec East was interrupted.

**Mr. Olson:** I thought we had unanimous agreement from the members of the committee that we were going to carry on until Your Honour was pleased to give a decision. You may interrupt me any time you are prepared to give that decision, but I see now it is five o'clock and so we will have the decision the next time the committee meets.

**The Chairman:** Order. So that the house may proceed to consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Progress reported.

**Mr. Deputy Speaker:** Order. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), and public bills.

## PRIVATE BILLS

### ALLSTATE LIFE INSURANCE COMPANY OF CANADA

The house in committee on Bill No. S-28, to incorporate Allstate Life Insurance Company of Canada—Mr. Ryan—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

[*Translation*]

**Mr. Caouette:** Mr. Chairman, a few brief remarks only on Bill S-28, to incorporate the Allstate Life Insurance Company of Canada.

This company seems to take advantage of the legislation recently adopted providing that when the degree of ownership of companies is 25 per cent Canadian, these companies may be considered as Canadian.

Actually, we do not wish to prevent transactions in the insurance field or in any other field, but to state our views about this inflow of American capital, because in fact, the Allstate company is 87½ per cent controlled by Americans and only 12½ per cent Canadian owned.

We have been told that the assets of the company are made up of 25 per cent of Canadian capital and 75 per cent of American capital. However, if it is considered that the company which holds 25 per cent of the Canadian capital is the Simpsons-Sears Company which is itself jointly owned by Canadians and by Americans on a 50-50 basis, that is its capital is made up of 50 per cent Canadian funds and 50 per cent American funds. This means that, actually, the Allstate Company of Canada is 87½ per cent controlled by Americans and only 12½ per cent by Canadians.

We urge the Allstate company to increase Canadian representation on its board of directors and also the Canadian participation to 50 per cent of its assets or 50 per cent of its subscribed capital, so that we may have at least a 50 per cent Canadian company, because throughout the country, we are asked to encourage by all possible means the establishment of new Canadian companies. We are not asked to authorize the investment of new foreign capital in Canada but rather of Canadian capital which could be used for the expansion of our economy.

Insurance companies, and Allstate is no exception, are the second largest trust in Canada after the chartered banks. Therefore, we must take positive steps to prevent the American trust from taking over our economy through insurance companies or otherwise. That does not mean that we should close the door to foreign investments.

Still, we must force those people to make concessions which will raise economic standards in Canada because, in the final analysis, the important thing is the economic strength of Canada.

In this case, it is obvious that Allstate will pay taxes but it will still be making profits from the people and industry of Canada and this American company will make further profits from their investment in Canada.

As I said, we do not want to forbid completely foreign companies from settling in Canada. But we suggest to that particular company, as I mentioned before, that it increases the Canadian ownership in its assets.

In clause 1 of Bill S-28, we find the names of the citizens who make up that company: Messrs. John Atkinson, insurance executive; Edgar Gordon Burton, merchant; James Wilson Button, merchant; Gordon McCalla Graham, merchant; John James Illingworth, insurance executive and Norman Currie Urquhart, financier, all of the city of Toronto.

This company will have a part to play—actually it does play it now, and we all wonder why this bill is before us when this company already operates in Canada, holds a federal licence to sell insurance in all Canadian provinces. In fact, we have seen for a long time Allstate advertised in the Simpsons-Sears catalogue. But we have before us today a bill to incorporate that insurance company which already holds a licence, and that without the matter having been submitted to the House of Commons. That company has therefore been operating until now. So, what advantages—there will certainly be no disadvantages—does that company anticipate in having this bill brought before us, if it operates in all the provinces?

We suggest to the company—and this is not separatism—to take into account the existence of two cultures in Canada, and to have among its directors both French and English Canadians, since it will operate, as it is already doing, in the province of Quebec as in the rest of Canada.

Those are suggestions we make to further improve the relations between the various ethnical groups but especially between the two major ethnical groups in Canada.

Mr. Chairman, this bill has no other purpose than to give recognition to a company which is 100 per cent American-owned and which is already in operation.

There is a slight improvement in that 12.5 per cent of the shares will be held by Canadians and 87.5 per cent by Americans.

I will say no more about the bill except that we strongly suggest that this proportion of 12.5 per cent should be increased gradually but as fast as possible until 50 per cent of the ownership and management of Allstate of Canada is in Canadian hands.

**Mr. Gregoire:** Mr. Chairman, I shall only take a few minutes.

On several occasions Bill S-28 concerning the Allstate Company has found its way on the order paper for consideration during the hour reserved for private members' business from five to six o'clock. We have repeatedly blocked the bill and we have stated our reasons for doing so.

We have now decided to allow the bill to pass if that is the wish of the house, and here is the reason why.

When we spoke against other legislation like, for instance, federal subsidies to the C.N.R., we had received representations from trucking associations or individual truck drivers who were backing us in our efforts.

When we objected to Bill S-7, an Act to incorporate the Pharmacy Examining Board of Canada, we were receiving lots of letters, telephone calls and messages encouraging us in our fight.

As concerns the Allstate Life Insurance Company bill, we never received a single remark, a single telephone call, a single letter,

a single message, from any insurance companies, insurance brokers or insurance agents whatever in Canada. This shows, in my opinion, that insurance companies that are Canadian to the extent of 100 per cent or 90 per cent, as well as insurance brokers or insurance agents, are not at all interested in the work we do in trying to prevent other insurance companies from getting a foothold in Canada, inasmuch as Canadian companies can very well look after all our insurance needs.

For these reasons, and also because we want to see what the work of the members of the other parties in this house will be in that respect, we have decided not to oppose any longer the adoption of this bill.

Mr. Chairman, we are still convinced that Canadians are able to look after the insurance needs of our country, but in view of the lack of co-operation on the part of insurance companies, brokers or agents, and their lack of interest in that matter, we have decided to let this bill pass.

[*Text*]

Clause agreed to.

Clauses 2 to 8 inclusive agreed to.

Title agreed to.

Preamble agreed to.

Bill reported and read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-36, respecting the Canadian Union Conference Corporation of Seventh-day Adventists—Mr. Honey.

THE CANADIAN EQUITY INSURANCE COMPANY

**Mr. Wahn for Mr. Asselin (Notre Dame de Grace)** moved the second reading of Bill No. S-42, respecting the Canadian Equity Insurance Company.

He said: Mr. Speaker, this is a bill to change the name of the Canadian Equity Insurance Company to the Guildhall Insurance Company of Canada and also to give the company the corresponding French name. By way of explanation, the company now known as the Canadian Equity Insurance Company is a subsidiary of an English company called the Guildhall Insurance Company Limited which has carried on business in Canada since 1925. This English company, the Guildhall Insurance Company Limited, is in turn a subsidiary of the London Assurance Company which was incorporated in England by royal charter in 1720. It is now the intention that the English company called the Guildhall Insurance Company Limited will withdraw from business in Canada and the business previously carried on by that company will now be carried on by the company known as the Canadian Equity Insurance Company. It is for this reason that it is desired to change the name of the Canadian Equity Insurance Company to the Guildhall Insurance Company of Canada.

As this request is sometimes made in the house, perhaps I might mention that the great majority of the directors of the company are residents of Canada. There are ten directors in all, of whom eight are residents of Canada. If there are any other questions I will be glad to do my best to answer them.

**Mr. Fisher:** May I ask the hon. member, where is the sponsor of the bill?

**Mr. Wahn:** I believe the sponsor of this bill, the hon. member for Notre Dame de Grace (Mr. Asselin), is a member of the defence committee and is at present in Europe with that committee.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

ADANAC GENERAL INSURANCE COMPANY OF CANADA

**Mr. J. H. Addison (York North)** moved the second reading of Bill No. S-44, respecting Adanac General Insurance Company of Canada.

**Some hon. Members:** Explain.

**Mr. Addison:** Mr. Speaker, the purpose of this bill is to give the Adanac General Insurance Company of Canada a French version of its name. Hon. members might be interested in the background of the company. In September 1962 the company entered into the writing of non-standard automobile liability insurance, such as under age, over age and for those with previous losses and/or convictions in Ontario. In February 1963 the program was extended to Alberta and Quebec. The Quebec branch employs four full time employees to service the independent insurance agents throughout the province of Quebec who write insurance on behalf of the company. The intentions of the company are to open subsidiary offices in the city of Quebec when the need arises.

Adanac General Insurance Company of Canada is a wholly owned subsidiary of Delta Acceptance Corporation Limited. Delta is a Canadian company with 25 per cent of the shareholders resident in Canada. Fifteen to 20 per cent are resident in Europe and the balance are resident in the United States. Two thirds of the directors of the Adanac General Insurance Company are Canadian citizens. I will be glad to try and answer any additional questions.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

TRIASSIC PRODUCTS TRANSMISSION COMPANY

**Mr. J. H. Addison (York North)** moved the second reading of Bill S-40, to incorporate Triassic Products Transmission Company.

He said: The purpose of this bill is to allow Pacific Petroleums to incorporate Triassic Products Transmission in order to return to Westcoast Transmission Company Limited, Vancouver, a similar federal charter which Westcoast had given to Pacific so it could construct without undue delay an important new Canadian industrial project. This $33.5 million project, now nearly completed, includes the building of the world's largest natural gas treatment plant at Empress, Alberta, and a 577 mile, 6 inch diameter pipe line from there to Winnipeg. The plant will process raw natural gas for the Trans-Canada Pipe Line Company by removing by-products, including propane, butane and ether liquid hydrocarbons. This is a necessary procedure and it results in the production of pure pipe line gas, methane, which is then moved by Trans-Canada to markets across the prairies and eastern Canada, and liquids, which will be moved through the new 577 mile unit.

Definitive plans to proceed with the project followed an agreement in 1961 between Pacific Petroleums and Trans-Canada Pipe Lines. Engineering and preliminary work proceeded at once and plans were made to appear before the national energy board for a permit to proceed. However, the company had to be incorporated to appear before the board and to incorporate an interprovincial pipe line required a federal charter. Due to pressure of business in the House of Commons during the session that began in September, the company decided that it would be difficult to obtain a charter in time to commence construction. Pacific, therefore, requested of Westcoast Transmission that it receive no payment other than expenses for the loan of the federal charter of Petroleum Transmission Company which had been incorporated by Westcoast in 1955. Westcoast agreed to the transfer of the charter on the understanding that as soon as Pacific was able, it would request incorporation of a similar company and return—the borrowed charter—back to Westcoast. Thereupon the company appeared before the energy board and subsequently received permission to build.

Westcoast considers the return of a charter to be important to its business, particularly today when oil and gas exploration is expanding northward. Within a short time it is evpected that a movement of oil or liquid hydrocarbons may be contemplated from the Yukon or Northwest Territories.

[Mr. Addison.]

Without a liquids pipe line, oil and by-products may be wasted in the production of natural gas. If Westcoast did not have this charter it could possibly face delays similar to those which would have been experienced by Pacific.

Westcoast Transmission Company, Vancouver, was incorporated by a federal act in 1949. This company, Canada's first major international pipe line, which went into operation in 1957, moved natural gas from northern Alberta and northern British Columbia down through British Columbia to the lower mainland and the Pacific northwest states. Building and operation of this pipe line has resulted in the greatest development northern Canada has ever seen. It is also an important factor in the development of the west and an important source of United States funds for Canada.

Pacific Petroleums was incorporated in British Columbia in 1942. This company is today one of Canada's major independent oil companies. Pacific found and pioneered the natural gas fields of British Columbia and for many years staked its future on the development of the north. Pacific sponsored Westcoast Transmission to bring these large new reserves to market, and it saw Westcoast through nine years of hearings in Alberta, Ottawa and Washington, D.C. Today the two companies have been entirely split apart with different management and different fields of operation. Pacific still maintains a share interest in Westcoast.

Both Pacific Petroleums and Westcoast Transmission qualify as companies 25 per cent of whose shares are available for purchase by Canadians.

Both companies were founded by Canadians, and shares have been traded since they began in business on Canadian stock exchanges. In the case of Westcoast it is 63.12 per cent Canadian owned. Pacific Petroleums is today 46 per cent owned by Phillips Petroleum Company, the remainder of these shares are available to Canadian purchasers. As of the moment, more than three million shares, representing 10,650 shareholders, are held in Canada.

**Mr. G. W. Baldwin (Peace River):** Mr. Speaker, I would like to make a few comments with respect to this bill, not so much with regard to the principles underlying the measure itself but as to the purpose behind it to which the hon. member for York North (Mr. Addison) has referred.

My eye was caught by an item which appeared in the *Globe and Mail* on October 18 last with regard to the reference of this particular bill to a committee of the other place. I do not think I am entitled to go into detail,

and I do not intend to do so. The headline in the newspaper said: "Swap of Pipe Line Charters Causes Flurry in Senate". Some indication is given in this article of what took place before that committee. I attempted to check the minutes but I found that, apparently, with regard to this particular matter there were no minutes of the proceedings in the other place. Consequently, it is impossible for any member who may be interested to follow what happened there, what was said and what reasons were advanced to support the request made in this particular measure.

I hope, therefore, that if and when this proposal goes before a committee there will be a full inquiry as to the purposes behind the incorporation which is sought in this instance. It may well be that in certain cases there is perfect justification for an exchange of charters, as seems to be the case in this instance, but I do think a heavy burden lies on those who seek the special privilege which is involved in the granting by parliament of a private charter of incorporation. If these charters are to become the subject of traffic, sale, or agreement made outside parliament we should be entitled to the fullest knowledge of the circumstances. As I say, there may be a good explanation, but I hope that when this matter goes before the committee there will be a thorough inquiry into the particular aspect I have raised, so that when the bill comes back to the house members who are interested may be able to make up their minds as to the disposition of this matter, based on the answers to questions which have been asked in the committee.

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I wish to speak only briefly about some of the provisions in the bill. First of all, I should like the house to know that the gas treatment plant referred to by the sponsor of the bill is located in my constituency and, of course, the beginning of the pipe line will also be there. As he pointed out, a great deal of work has been done on the construction of the plant. There is no doubt in my mind that it is an asset to Alberta and to Canada, particularly to that part of Canada because it has brought about a rather large increase in employment opportunities in the area, which will carry on for some time.

I am not quite sure whether I understood the hon. member correctly with regard to one point. I believe he said that both the natural gas treatment plant which will remove the by-products and the pipe line to be built from that site to Winnipeg will be owned by Triassic Products Transmission Company. As I understood his remarks, that is what he said but I should like him to clear up that point. If this is not so, perhaps he might explain where ownership of the plant will lie.

Another point I am interested in is whether or not, if the bill passes, any of the shares of Triassic Products Transmission Company will be offered to the public. Furthermore, will there be any special effort to make them more available to Canadians than on the world market, if I may call it that? I bring up this matter because in Alberta we have had experience with regard to the Alberta Gas Trunk Line Company which was set up to gather and deliver natural gas to the border. As a matter of fact, the Alberta Gas Trunk Line Company will be delivering all of the gas from this plant and to the border. The act incorporating this company was a provincial statute, because the pipe line does not cross any provincial boundary. However, at the time of incorporation of the company there was an agreement that in the first instance all of the common shares would be offered to the residents of Alberta. If there was ever any doubt in the minds of Canadians that Canadians would invest in this kind of enterprise, that doubt was removed by what happened in this instance. The number of shares offered was oversubscribed about 15 times.

In the present case we have a somewhat similar situation, although the pipe line will not be confined to Alberta. It will start in Alberta and go across Saskatchewan into Manitoba. But I think it is fairly certain that this company is going to be what one might call a low risk investment and in some respects it could even be called a common carrier or a public utility. I contend that the shares of a company engaged in this kind of operation should certainly be offered to Canadians in the first instance.

The hon. member for Peace River (Mr. Baldwin) asked a question or two about the reason for the swap of charters. I think the reason this was done was to expedite the necessary construction. However, if we find in the committee that the swap of charters has already determined where ownership of the company is going to lie and has precluded Canadian ownership of the common stock in the first instance, then I think parliament will have to look at the situation very closely and perhaps make some changes in the regulations. I know that quite often when companies of this kind seek federal charters granting all of the powers necessary for the building of a pipe line some concession is made to them to allow them to expropriate land and so on. In view of the fact that we will be granting such concessions we would certainly be remiss in our duty if we did not also see to it that preferential treatment

is given to Canadians, so that through the purchase of stock they may gain ownership of the company.

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I wish to put it on record, as this is a pipe line bill, that it has been a tradition of our party to take an acute interest in pipe line bills, and I also wish to say that we look forward to a close examination of all the details with respect to the bill when it comes before the committee on railways, canals and telegraph lines. The only comment I should like to make is that it seems most unlikely that the bill will be dealt with this session, since that committee already has some matters before it and will shortly have others to consider.

I should like to suggest to the sponsor of the bill that in the interim it might speed things up if he would have the company prepare information with regard to the question raised by the hon. member for Peace River (Mr. Baldwin) and also with regard to the questions that were brought up in the other place when the bill was discussed there. We certainly will not object to second reading, but the fact that we may approve of the bill in principle is no indication that we will not take a stand against the bill or certain parts of it in committee, and later if it is returned to the house.

**Mr. D. S. Macdonald (Rosedale):** Mr. Speaker, I should like to take this opportunity to say a few words on the bill. Several hon. members have adverted to the fact that some publicity was given to the proceedings in the other place with relation to the bill involving the incorporation of this proposed company. As the hon. member for Peace River (Mr. Baldwin) has said, it would not be appropriate or in order at this time to comment on this, but my understanding of the situation is that it was necessary to make an early start on construction and that it may well have been the political uncertainties that have dogged federal affairs in the last year and a half or two years which made it difficult for the particular group to come to parliament to obtain the necessary incorporation.

As hon. members are aware, the provisions with regard to the jurisdiction of the national energy board, and the procedure in that connection, make it essential that a special act of incorporation be passed by parliament so that the company may exercise the rights which the national energy board may grant to any particular company. Without purporting to have any expertise on this question, I simply suggest that perhaps this was the reason for the particular conduct engaged in to which reference has been made. This indeed will be one of the questions which will be before the committee and upon which I am sure all hon. members will be interested in having some comment.

I should like to make a few remarks with regard to the general principles underlying the incorporation of companies of this kind, and their implications for the economy of Canada, and particularly for the economy of western Canada. Over the years hon. members have, I believe, noted with interest and with approval, the secondary implications of the growth of the oil industry in western Canada. I refer in particular to the utilization of those by-products which are produced in the process particularly of treating sour gas and the process of refining oil, which have resulted in the development of chemical components which it has been found possible to make available in a commercial way through industrial processes. With particular reference to the gas industry, I would refer in this connection to the development of a very substantial Canadian production of sulphur.

I believe I am right in saying that sulphur is one product which, no longer than a decade ago, was an essential Canadian import, a product which was in short supply in this country and which we had to import from abroad. As a result of the development of the Canadian oil industry, and particularly the development of secondary industry based on the oil industry, Canada has not only ceased to be a net importer of sulphur but has become a major exporter of this product. Under these circumstances, this particular product has been added to the list of products Canada sells abroad.

This, in turn, has had a particular importance for western Canada. Over the years, as hon. members know, western Canada has been dogged by the fact that the area is a single or limited product economy. The diversification which is being built into western Canada's economy by reason of the exploitation of by-products has not only increased employment but also lessened the effects of certain other economic vicissitudes, such as a decline in the market value of some grains, problems of drought in the agriculture industry, and so on. Those adverse factors will not have the same impact they would have had 25 or 30 years ago.

Some reference has been made to the question of foreign ownership, and particularly to the question of whether or not the common stock of this particular company will be made available to Canadians. I think this is a question to which the committee will be interested in having some answers. I should like to make reference to

the fact, as the hon. member for York North (Mr. Addison) has pointed out, that the company is being proposed for incorporation by Pacific Petroleums, a name that will be well known to many members of this house in connection with activities in the Canadian oil industry. The parent company, as the hon. member has pointed out, is one of the last of what unfortunately appears to be a diminishing breed in Canada, the independent oil company. So many of the major companies are now engaged in the business. However, it is a company in which there is a substantial proportion of stock available for acquisition by Canadian shareholders. The incorporation of this particular company, Mr. Speaker, will add another arrow to the quiver of possibilities available to the parent company, and therefore another area in which Canadians will have some opportunity to invest their funds. This is the kind of opportunity this government has been attempting to stimulate in Canada by various taxation measures. It is for this reason I feel this parliament should give serious consideration to the incorporation of this particular company, which would make possible the construction at an early date of the particular products pipe line in question, make it possible for the industries that will be dependant upon the pipe line to develop, make it possible for the products to be produced by those industries and for the pipe line itself to produce income, and particularly to produce Canadian dollars to ease the balance of payments situation which has become so pervasive in our discussions not only in recent years but since the war.

For all these reasons, Mr. Speaker, I should like to commend to the house the approval of this particular measure, and I should like to commend to the hon. member for York North the suggestions made with regard to bringing items of information to the members of the committee, so that the committee may satisfy itself on these particular points and may report favourably upon this bill, which it seems to me will produce great economic benefits to all Canadians.

**The Acting Speaker (Mr. Batten):** I should advise the house that if the hon. member for York North speaks now, he will close the debate.

**Mr. J. H. Addison (York North):** In closing this debate, I should like to answer the questions posed by various members. The hon. member for Peace River (Mr. Baldwin) raised a question about trafficking in pipe line charters. I should point out, as was pointed out in the other place, that Westcoast and Pacific Petroleums are both extremely substantial companies and have world-wide reputations. The hon. member for Medicine Hat (Mr. Olson), whose constituency is fortunate enough to be the site of one of these companies, asked a question concerning the ownership of this particular plant. The charter, if the company is incorporated, will be returned to Westcoast Transmission Company.

A question was also asked as to what percentage of ownership will be available to Canadians. Since Triassic will be returned to Westcoast Transmission Company, which is owned 26 per cent by Phillips Petroleum, and as of March, 1963, 63 per cent of Westcoast Transmission Company was owned in Canada, the hon. member will be able to judge for himself. A question was also raised as to how much of the funds have already been spent. I can say that between 85 per cent and 90 per cent of the funds have been spent on this pipe line, which is an aggregate amount of over $30 million.

The hon. member for Port Arthur (Mr. Fisher) raised the point that it may be difficult to bring this bill before the standing committee on railways, canals and telegraph lines. I sincerely hope that we will have an opportunity to do so in this session, but if not in this session then early in the new session, so that all the questions may be answered by the officers of this company.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

POINTE-AUX-TREMBLES BRIDGE

**Mr. Guy Rouleau (Dollard)** moved the second reading of Bill S-41, to authorize the construction of a bridge and a causeway over the St. Lawrence river near the city of Pointe-aux-Trembles.

He said: The sole purpose of Bill S-41 is to authorize the petitioner, Developpement Central Ville de l'Isle Inc., which is a company incorporated under the Quebec companies act, to construct a bridge and causeway over the St. Lawrence river to connect two islands lying off the east end of the island of Montreal near the city of Pointe-aux-Trembles. The area of the islands is about 2,000 acres and about 90 per cent of the area is held under options by the company. It is intended to develop a residential community on the islands with a town to be established having the name of Ville de l'Isle.

The nearest island called Ile-aux-Asperges is about 500 feet off shore and the water between is navigable for very small river craft such as small motor boats. Ile-aux-Asperges will then be connected to Isle Ste-Therese by means of a short causeway crossing a very shallow stretch of water. Ordinarily, the only approval that would be required for a bridge

of this sort would be by way of an order in council on the recommendation of the Minister of Public Works. However, because the bridge is over part of the St. Lawrence river, the approval of parliament is required. The bill, however, contains the usual safeguards, namely that the governor in council must approve the plans and location, and that the company must observe such regulations for the security of navigation as may be prescribed by the governor in council. The usual time limits are placed on the commencement and completion of construction.

The officials of the Department of Public Works and the Department of Transport have already seen the plans, and the officials of those departments who were present before the Senate committee on transport and communications indicated that there was no objection in principle to the bill.

The bill in its original form provided for the construction of a toll bridge. However, when the bill was being considered by the Senate committee, the promoters suggested that all reference to a toll bridge be eliminated from the bill. It was felt that the matter of tolls was one for the provincial authorities who normally regulate such matters. The bill in its present form, therefore, merely gives authority for the construction of the bridge and provides the usual safeguards.

For the benefit of my hon. friend, the member for Villeneuve (Mr. Caouette) I would like to add that 100 per cent of the interest in the company is Canadian and French Canadian at that.

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, before this bill is allowed to pass, I should like to ask the sponsor a few questions. I should like to know the names and addresses of the directors of the corporation. Also, if it is a good thing for individuals, I think it would be more sensible for the federal government and the province of Quebec to undertake jointly the building of such a bridge over the St. Lawrence river in the east of Montreal.

Mr. Speaker, I have nothing against private enterprise. On the contrary, I am in favour of it, but I think this is a public utility and it would be advisable for the federal and the provincial governments to build the bridge themselves.

In the past, the province of Quebec had several toll bridges. In fact, there is still one at Terrebonne which causes some inconvenience and jeopardizes the development of a part of the Joliette-L'Assomption-Montcalm constituency.



If this bridge is built by private enterprise, the day will come when the federal government will probably have to purchase it, and this will give rise to serious trouble.

Before I resume my seat, I ask the hon. member for Dollard (Mr. Rouleau) to give us, first of all, the names of the president and the directors of that corporation.

**Mr. Rouleau:** Mr. Speaker, as far as—

[*Text*]

Mr. Speaker—

**The Acting Speaker (Mr. Batten):** Order. I should point out that if the hon. gentleman speaks now he will close the debate.

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, first of all, I wish to congratulate the hon. member for Dollard (Mr. Rouleau) for the explanations he was kind enough to give us in English. He has an excellent command of English; however, I would like to ask him a few questions in French, and I hope that he will feel free to answer in whatever language he chooses.

If I understood correctly, the hon. member told us there was a deadline for the building of the bridge. Would he tell us what is that deadline?

Besides, could he tell the house if it is supposed to be a toll bridge?

I have another question. Could the hon. member tell us whether there has been an agreement between the federal and provincial governments about the building of the causeway?

Mr. Speaker, I feel that these questions should be cleared up before we go on with the second reading of this bill.

[*Text*]

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I wish to say only a few words on the second reading of this bill. I hope the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) will not feel I am rushing in with undue haste if I welcome him as a social democrat in view of what he said just a moment ago, but I am happy to agree with him that where we have moved in the direction of public ownership of construction under public authority we should not reverse ourselves.

It seems to me that the building of bridges over navigable rivers, and particularly over a river like the St. Lawrence, which come under federal jurisdiction, is something which should be done by public rather than private authority. I feel that the sponsor of the bill should deal adequately with this question before he expects the house to give it second reading. Perhaps there are others who may

wish to speak about the bill, and that will give the hon. member for Dollard (Mr. Rouleau) a chance to think about this and present his views with regard to it on another occasion.

We recognize the need for a bridge over this part of the St. Lawrence river. Obviously hon. members from that area are interested in it; but when an hon. member such as the hon. member for Joliette-L'Assomption-Montcalm wants to slow down a bit so that this can be done by public authority rather than by private authority, in a word that was used here yesterday I say "Amen".

**Mr. H. A. Olson (Medicine Hat):** This is a rather unusual request, seeking permission for a private company to build a bridge over a navigable river. Other hon. members have asked many of the questions I wished to ask, but I still have one question. If this is a toll bridge, is there to be a toll paid only by the residents on the island, because I understood the sponsor to say that it was the intention to develop this island as a residential area? Will these people be given passes, or will they be in the position of prisoners who will have to pay tolls to get back and forth from their residences?

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I am slightly nonplussed by the questions asked a moment ago on the bill by the hon. member for Winnipeg North Centre (Mr. Knowles). I do not see any relationship between the statement of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) and the speech of the hon. member for Winnipeg North Centre.

Because we would like to see public works done by public authority, the hon. member states that we are socialist fellow travellers. It seems to me that it is the socialist party which is getting closer to the Conservatives, for we are trying to draw back from socialism by creating new public services.

Mr. Speaker, we have a few relevant questions we would like the hon. member for Dollard (Mr. Rouleau) to answer. I feel that we should postpone the discussion on the bill, as that would give me a chance to get an answer to the questions I have in mind.

May I point out, Mr. Speaker, that it is six o'clock?

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. It being six o'clock it is my duty to inform the house that the hour for private members' business has expired. As the business, pursuant to special order made on Thursday, October 17, to be considered at seven o'clock will be the estimates of the Department of National Health and Welfare, does the house agree to go into committee of supply now?

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

**The Deputy Chairman:** It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

### DEPARTMENT OF NATIONAL HEALTH AND WELFARE

**The Chairman:** Order. House again in committee of supply, vote No. 1, Department of National Health and Welfare. Shall this item carry?

1. Departmental administration, $1,973,500.

**Miss LaMarsh:** Mr. Chairman, in presenting to the committee the 1963-64 estimates for the Department of National Health and Welfare it should be remembered that this is a department which spends the second greatest amount of public money, being superseded only by the department of my good friend and colleague the Minister of National Defence. I believe that his expenditures represent some 24 per cent of the federal budget, as opposed to about 19 per cent for this department. I feel certain that the Minister of National Defence would be as happy as I to see the day when we can both offer this committee and the country a drastic cut-back in our estimates, if perhaps for somewhat different reasons. In the case of defence spending, I am sure all Canadians would be glad to see world tensions relax to a point where our military requirements would be less demanding, and I am equally sure we would all like to see Canada's economy boom once more to the point where the welfare needs of our people might also be diminished.

I think it will already be clear to all hon. members that these two objectives, the reduction of world tension and the expansion of our national economy, continue to hold the highest priority in the government's thinking and planning. As far as our nation's health is concerned, we will of course continue to spend whatever is necessary to assure Canadians the highest possible standards of health. May I assure the committee that there will be no skimping in this area. The

blue book shows that the estimates for the Department of National Health and Welfare for the fiscal year 1963-64 amount to $1,204,910,550, or an increase over the last year of $104,908,300, or 9.5 per cent. This is roughly a normal annual increase due to the natural population growth and other reasonably constant factors. However, these figures do not include an additional amount of $3,500,000 made available to the department last year by way of supplementary estimate. That was mainly for the general health grants and hospital construction grants programs. The total amount that I have mentioned, this year as last year, excludes provision for payments under the Old Age Security Act. Until 1962-63 such payments were included within the department's estimates but were classified as a non-budgetary expenditure. As a result of the recommendation of the public accounts committee, however, the department was instructed to delete this item from the main estimates and has done so.

As usual, by far the largest part of the department's budget is earmarked for statutory outlays. These add up to approximately $1,105,700,000, or 91.8 per cent of the total vote. They include $542,900,000 for family allowances, $385,000,000 for federal contributions to hospital insurance, $110,000,000 for unemployment assistance, $38,700,000 for old age assistance—this, of course, is separate and apart from the old age security payments —$19,250,000 for disabled persons allowances, $5,000,000 for payments under the Fitness and Amateur Sport Act, and $4,870,000 for blind persons allowances. The remaining 8.2 per cent, or approximately $99,200,000, represents items to be voted by parliament. It may be that hon. members would appreciate having a breakdown in general terms, and that $99,200,000 is to be spent in the following way: $31 million for payments to the provinces under the general health grants, $20 million for payments to the provinces under the hospital construction grants, $30,063,000 for medical services—which includes provision for Indian and northern health, quarantine, immigration medical, sick mariners, civil service health and civil aviation medicine programs—$2,890,000 for administration of the Family Allowances and Old Age Security Acts, $2,610,000 for our laboratory and advisory services, and $3,459,000 for administration of the Food and Drugs Act, the Proprietary or Patent Medicines Act and the Narcotic Control Act. I might point out here, Mr. Chairman, that the figure of $4,438,000 shown in the bue book as the increase in the voted items actually excludes the $3,500,000 made available as a supplementary estimate late last year. That, of course, means that the real increase is only $938,000, instead of $4,438,000, in this year's estimates over those of last year.

Two significant items contribute to this increase. One is the provision for the food and drugs directorate of an additional $653,000, more than half of which is designed to cover the first phase of a three year program to strengthen and expand the directorate. The second is the fact that provision for the first full year's operation of the welfare grants program has been increased to $500,000 from $250,000.

The estimates show an increase of $100,470,000 in statutory expenditures, which relate largely to higher federal contributions under two specific programs. The first is an increase of $60 million in the hospital insurance and diagnostic services program, where rising hospital costs, the growing number of hospital beds and greater bed utilization have all inflated the costs. The second is in unemployment assistance, where the development of this program results in an increase of $21,750,000 in the printed estimates. The increase in the provision for old age assistance, blind persons allowances and disabled persons allowances programs, totalling $11,820,000, results mainly from the revision of these three acts. The increase in family allowance payments of $6,900,000 results from the normal growth in the population of those under 16 years of age.

The committee is aware, of course, Mr. Chairman, that a $10 increase was recently voted in our old age security payments. The present forecast of an increase of $71,200,000 in old age security payments comprises $56,700,000 resulting from this $10 increase, which began last month, and the remaining $14,500,000 from the normal increase in the population of people over 70 years of age.

These expenditures by no means represent the total effort and scope of operations of the Department of National Health and Welfare. Indeed, as many hon. members know, we have been stepping up our activities in a number of directions. Much preparation has already been carried out in connection with the Canada pension plan and, as the house is aware, it remains our firm intention to introduce the necessary legislation as soon as possible. When this measure becomes law, it will give this country one of the finest social welfare programs available anywhere in the world.

**Some hon. Members:** Hear, hear.

**Mr. Knowles:** Hear, hear.

**Miss LaMarsh:** I thank my hon. friend for his signal of approval.

**Mr. Knowles:** That is a go ahead signal.

**Miss LaMarsh:** I am sure my hon. friend will let me go ahead with my speech, and I propose to do so. Discussions are now going on with regard to the Canada pension plan at the technical level with delegations from both the province of Quebec and the province of Ontario in order to see how the federal plan and the provincial plans may be meshed together. I might add that the Canada pension plan will be, as many hon. members already know, placed on the agenda of the forthcoming federal-provincial conference on November 25 and 26. As far as this department is concerned, Mr. Chairman, those will be a busy two days. Simultaneously with the federal-provincial conference we will be holding another conference on the reported connection between cigarette smoking and lung cancer.

The hon. member for New Westminster sent me notice of a question about this earlier today, and I might inform the committee now that we are hoping this meeting will provide for an exchange of viewpoints between many of the groups concerned and will reveal those areas in which co-operative action might be taken to ensure a co-operative and effective program.

The participating departments or agencies will include provincial departments of health and, in some cases, provincial departments of education; also represented will be a number of professional and voluntary organizations, such as the Canadian Medical Association, Association des Medecins de Langue Francaise du Canada, Canadian Public Health Association, National Cancer Institute of Canada, Canadian Cancer Society, and the Canadian Heart Foundation.

Tobacco growers and industry will be represented by the Ontario flue cured tobacco growers marketing board, the burley tobacco marketing association of Ontario, office des producteurs de tabac jaune du Quebec, and the Canadian tobacco manufacturing industry. In addition to my own department we will have representatives from the Department of Agriculture. All told, we are counting on 60 delegates to the conference.

As many hon. members are aware—indeed, questions on the matter have been posed to me in the last few weeks—the government is also currently reviewing with the provinces the question of old age assistance payments, disability allowances and blind persons allowances. As hon. members already know, this will be an item on the agenda of the federal-provincial conference to be held in a week or so, and it will be discussed as part of the item with a number of cost-sharing programs.

In the area of food and drug control, Mr. Chairman, a matter which has received even greater attention in the last year owing to the distressing thalidomide matter, we have already taken action to implement recommendations relating to the introduction of new drugs, and to the tightening of quality control by the manufacturer. New regulations covering these areas were put into effect quite recently, and the staff of the food and drug directorate has been strengthened accordingly.

One other program to which we are paying special attention in view of public interest is that of radiation protection. Authorization has recently been given for the establishment of an advisory committee drawn from universities and other private agencies to sit with our own experts and assist them in the supervision of our radiation protection program. I might add that the division concerned will be moving to a new and specially constructed building on February 1 next. My department is eagerly awaiting the report of the royal commission on health services. Our latest information is that it should be available toward the end of the year, and I am sure all hon. members look forward to an opportunity to peruse this study. All in all, with the funds available to the department as outlined in these estimates, I feel that we will be in a good position to achieve our one basic objective—to make Canada an even healthier, happier and more secure country in which to live.

**Mrs. Casselman:** Mr. Chairman, may I begin by mentioning that the former minister of health and welfare, the hon. member for Perth, is unavoidably absent at this moment owing to a previous commitment; hence my beginning the debate on behalf of our party. However, he will be here within the hour.

May I at the outset express my personal good wishes on the floor of this house, although I have expressed them privately to the minister, for her very good health during her tenure of office. I will not elaborate on that, but I do wish her well and hope she has much personal satisfaction and a sense of achievement from her very heavy schedule. There is a general desire among the members of our party to facilitate the passing of estimates generally, particularly these estimates tonight. Therefore, I will endeavour to express only a broad interest in all aspects of the department's efforts, and also to avoid the very obvious controversial aspects of some of the problems facing us in the future. I will endeavour to keep my comments on the estimates for the year 1963-64 to a minimum and as concise as possible.

We in this country happily enjoy the second highest standard of living in the world, which brings with it peculiar and particular

problems, problems peculiar to a country adjoining another country with ten times the population. The question is asked on all sides how our services are paid for. This places a very heavy responsibility of leadership upon any government, a very heavy responsibility on Canadian citizens in their requests and desire for services. The Minister of Finance has warned us that unless the national budget is moved toward balance Canada will find itself on the rocks. This is a comment which is well made, but it is easier made in opposition than in government. I wish to express my great sympathy for the Minister of Finance, considering the staggering job he has to do. Businessmen are constantly criticizing government, and I presume they will continue to do so for incurring expenditure which, they fear, will cripple the economy. We must pay regard to such criticism, if we are to maintain the respect of businessmen, who, after all, must face the problems of heavy world competition, and if we are to maintain the respect of the Canadian citizens whose money we are spending.

We must keep uppermost in our minds means by which measures necessary for our national health and welfare can be taken simply and economically. Such an approach has been adopted by many people over the years, particularly by the able staff of the department of health and welfare. When I was connected with the department I noticed how generously and unselfishly the staff worked to meet sudden and unexpected demands on their time and energies. I think it is up to members of this house to meet the social problems which confront us in the same spirit, when it comes to the working out of social policies. We know that the attention we give to health and welfare problems affects our daily lives and personal happiness to a large extent, since it is closely connected with social order and social harmony in our country. I am sure that no one inside or outside this house has any quarrel with the theory of hospital insurance. It is needed, useful and right. But the justice of its administration is something which must be watched carefully and constantly. According to the estimates of 1959-60 the cost of hospital insurance was about $150 million. This year's estimates show the cost to be $285 million, an increase over last year as the hon. lady has stated, of more than $60 million. We realize that to some extent the increase was inevitable due to an increase in the number of hospitals and in the number of people using and staffing the hospitals. In 1958 we almost doubled the amount of federal assistance given to hospital building, alterations and renovations. No one could quarrel with this step, having regard to the improvement in the health of Canadians and in our society generally which has resulted; but from my own observations and from comments made by doctors it seems to me there is an area of outpatient assistance where the service might have been strengthened. One hears of many cases where patients, particularly chronic and elderly patients, go to hospital because their families for one reason or another cannot afford to keep them at home, though they would wish to do so if it were possible. It may be that a relatively slight increase in expenditure on public health nurses who could visit such cases would be helpful in meeting the needs of patients of this kind.

Undoubtedly, many ideas could be obtained as a result of concentrated efforts, working in co-operation with hospital boards, doctors and all groups interested in the care of the sick. I urge the minister to encourage a continuance of grants by which assistance is given to research into social problems, and to the training of essential workers in this field. It seems to me it would be penny wise and pound foolish to go on indefinitely increasing the already high cost of the care of the sick if we did not pay equal attention to research into cure of disease. Not only should we pay the closest attention to research in our own country but we should improve our communications with other countries and with organizations such as the World Health Organization, so as to be able to take the best advantage of all the work which is being done outside Canada in this field. I feel that in an age of greatly increased research this is one way in which we may be able to reap benefits and eventually avoid the skyrocketing costs of illnesses which we do not yet know how to cure. Along the same lines, I would urge the minister to continue to pay attention to the fitness and amateur sports program, in which I am personally much interested and which, I believe, has a direct relationship with what I have just said about the necessity of research into illnesses and diseases. Both lead towards the goal we should all like to see attained. Both constitute a definite and positive approach to health problems in Canada.

In an effort to avoid repetition I have tried not to deal with particular aspects of the work of the department which will be considered intelligently and constructively by other members of this party.

**Mr. Knowles:** Mr. Chairman, this seems to be ladies' day in the House of Commons. The hon. member for Winnipeg South was the first member to get the floor when we met this afternoon and thus far tonight the ladies have had all the say.

It is a pleasure to have an opportunity to take part once again in the debate on the estimates of the Department of National Health and Welfare. I noted the interesting remarks with which the minister began her speech. She pointed out that the Department of National Health and Welfare is the second largest department of government in terms of the amount of money provided for it. The hon. lady indicated that 19 per cent of the federal budget is appropriated to the Department of National Health and Welfare. I think it is profitable to reflect on this for a moment, and to remind ourselves that the word "health" did not appear even once in the British North America Act of 1867. The word "hospitalization" appeared a few times, but the word health not at all. The fact that we now have a Department of National Health and Welfare, with a budget the size of the one before us, indicates the degree of social change that has taken place in the century during which this country has been in existence, as it indicates the importance of the tasks which are the responsibility of the present minister.

I noted too the minister's expression of hope that the sums of money required by the two largest spending departments might in due course be pruned somewhat. She said that the reasons for seeking to cut down the expenditures of the Department of National Defence and the Department of National Health and Welfare were different. I agree with her that the moneys we are spending on defence we hope one day to be able to cut back, and I agree with her there are some kinds of expenditures that are appropriated for her department that we hope we can cut back, expenditures such as unemployment assistance which could be cut back if we had full employment, expenditures perchance on pensions for disabled and other conditions if by programs of positive medical research, such as those just referred to by the hon. member for Grenville-Dundas, we could improve the health of our people. But I think it would be both an illusion and a mistake to suggest that welfare payments generally should be pruned.

I suppose this is a matter of definition, a matter of semantics, and I am sure if the minister and I discussed it a little more fully we would find ourselves in agreement. If by welfare payments one means payments to overcome needs that should be avoided or corrected, yes, we hope the need for such payments can be reduced. But if by welfare payments one means such programs as old age security and the Canada pension plan, which I was glad to hear confirmed again tonight and applauded on the Liberal side of the house, if by welfare payments one means money spent on health care, hospitalization, medical research, let us not anticipate these expenditures being pruned. Let us accept it as a responsibility of our kind of society to do more of this kind of thing on a civilized, on a social, basis. In those terms I should like to amend the minister's statement by saying that I hope the estimates of the Department of National Defence can be pruned so that she, or rather her department, whoever the minister may be, can have more of that money in the not too distant future.

I think it is good that both the Minister of National Health and Welfare and the hon. member for Grenville-Dundas have drawn attention, even in their brief speeches tonight, to the broad range of interests and responsibilities of the minister's department. It not only has the responsibility for pension programs and for hospitalization and health insurance measures, on which I intend to spend most of my time, but it deals with such matters as the control over foods and drugs, research and so on. Another brand new item that not only was not thought about when the British North America Act was drafted but was not thought about not very many decades ago is the question of protection against radiation. These references that have been made both by the minister and by the previous speaker indicate, as I say, the broad range of responsibilities of this department, and the Minister of National Health and Welfare is quite justified in a feeling of pride that it is her honour to preside over such an important department.

So far as this party is concerned, though we share with other members a desire to deal with the estimates of all departments as expeditiously as we can, we do feel we are dealing again tonight with one of the most important services to our people provided by the government of Canada, in co-operation with the governments of the provinces and at other levels, and we think it is a constructive use of our time to have a thorough discussion of the various aspects of this department. The previous speaker indicated that other members of her party would be dealing with some of the specific subjects and the same is true for members of our party. Other members who will follow me will be dealing with matters of research, mental health and various other aspects concerning which we think there should be a tremendous increase of activity on the part of the Department of National Health and Welfare.

I should like to speak for a few moments now on the so-called welfare section of the work of the department. The department is, as we all know, divided into two general divisions with two deputy ministers, one a deputy minister of welfare and the other a

deputy minister of health. The programs that come under the welfare branch of the department have already been alluded to tonight, old age security, old age assistance, the Blind Persons Act, the Disabled Persons Act, the Family Allowances Act, unemployment assistance and so on. These are programs, of course, that the fathers of confederation never dreamed of. Some people look at them in terms of their huge cost to the Canadian taxpayers. We think it is a mark of growth and a mark of maturity in a country like ours that we have reached the point where we do go in for these transfer payments, or whatever you may want to call them, where we do have this co-operative effort as a people to provide for the security and the needs of our people.

We think that one of the best jobs that the Canadian parliament has done for the Canadian people in the last few decades has been to develop programs of old age pensions, old age security, old age assistance and all the other programs we now have. But, Mr. Chairman, the fact that we have got these programs should not leave us feeling that there is nothing more to do. Every one of the programs now on the statute books, every one of the programs now in effect, needs improvement.

I am going to leave the question of old age security and its companion piece, the Canada pension plan, to the end of this group of programs about which I want to say a few words, and mention the others. Old age assistance, the program under which a pension of up to $65 a month with a means test is paid on a 50-50 basis by the provinces and the federal government, obviously needs improvement right away. I know the minister's answer will be that this is going to be discussed at the forthcoming two day federal-provincial conference, and it certainly is going to be a very busy two day period. Frankly, I think all the other departments should stay away from the conference. I think the Minister of National Health and Welfare needs the whole two days herself with the provincial representatives, once she starts dealing with these things.

Take old age assistance, to begin with. Many people in Canada today, even though they are able to understand the federal nature of our government and the difference between provincial responsibilities and federal responsibilities, cannot understand why the pension is now $75 a month for those 70 years of age and over but only $65 a month for those between the ages of 65 and 69. I know that to make that change means that one has to make all the other changes as well. I know this puts an extra burden on the provinces, and that one has to consider all of the welfare responsibilities of the provinces; but I plead with the minister to take all the time she can get out of those two days with the provinces, so that decisions can be made at the conference and so that progress can be made on these matters without interminable delay.

The same is true of the pension for the blind. It is still at the $65 figure. This pension, as we all know, is paid 75 per cent by Ottawa and 25 per cent by the provinces. Here again, those who are receiving the pension cannot understand why it has not been raised above the $65 figure the way it has for those 70 years of age and over. The same is true of those on the disabled persons allowance. In referring to it, I want to mention also that this is one of the programs which needs a particular review. I have in mind especially the definition of total disability and the list of requirements that are in the act and in the regulations in order to qualify for this pension.

There are a number of people, as all of us know, who by ordinary standards seem to be totally disabled, seem to be unable to work, but who are denied this pension. Sometimes it is because they can feed themselves, which is about all they can do. It is incredible that they should be denied the pension. I run into cases where the man of the family is disabled and unable to work. He still is a man; he still feels he would like to be doing something that would contribute towards the upbringing of his family. The wife has to go out to work because the disabled persons allowance, by itself, would not provide sufficient income. She makes enough that the means test comes into play and he cannot draw any portion of the disabled persons allowance. This cuts two ways. On the one hand, he does not get the money needed to help bring up the family and, on the other hand, he is also hurt in his spirit because he feels he is becoming nothing but a dependant on his wife.

I am raising problems here to which there may not be an immediate solution. But I suggest there are human angles to this legislation as well as financial angles, which call for the legislation to be reviewed. It was a good day in parliament, and I remember it very well, when after years of pressing for it we got a disabled persons act. It was a good day when we got all these other programs. However, let us not think that because we have them, because the administration is handling them in a routine way, all the problems are solved. All of these programs need to be reviewed. Later on in this debate tonight, other members will mention other programs.

Then, there is the family allowance program. I know that others who will take part in this debate will have plenty to say about

that. It is quite a long time since the amounts paid by way of family allowance were fixed, and they have never been changed in any real sense from the beginning in 1945. Today we have only two levels of payment rather than four, as was the case at the start. In any event, the maximum amount of the family allowance has not been changed since the act first came into effect on July 1, 1945. There have been many promises across the years to increase the amount of the family allowance. There have been many promises in recent years, particularly by the party now in power, to extend the family allowance beyond the age of 16 for those who are still in school. As yet, we have seen no sign of anything of this nature.

I trust I have said enough in respect of these various programs that come under the welfare branch of the department to substantiate my suggestion that they need to be reviewed. I recognize the state of federal-provincial relations in this country. I recognize the virtue of co-operative federalism to which the Minister of National Health and Welfare made reference the other day. This is an expression which I think, so far as political parties in this country are concerned, was first given currency by this party in the program we adopted at our founding convention in 1961. I am glad to see that it is now in such general use. But let us not allow the need to consult result in interminable delay. Consult not for two days but for two weeks, and keep at it. Let us get these various programs sorted out, so that some of the feelings of injustice, some of the sufferings our people are enduring, are overcome.

I have left to the last of the items coming under the welfare branch of the department the joint question of old age security and the Canada pension plan. From now on, there is no question but that these two items are companion pieces; these two programs go together. Our movement started supporting some years ago a two-stage pension plan. We called for an improving of the universal pension by bringing it to the higher amount it is now, $75, and building on top of that a contributory pension plan for all our people. I say quite frankly that we were delighted when the Liberals started talking in language similar to ours. We were pleased when the Liberal party made a promise to the electorate in 1962 and 1963 that a two-stage pension plan such as we had advocated would be brought into effect. I need not at this time repeat the remarks I made on October 29 during the grievance period at the end of a supply debate to which the minister responded. I simply remind the committee that we think we are reflecting the views of the country generally when we express our regret that the plan that was promised so specifically in the election campaign, promised so precisely in the speech from the throne, is to be delayed.

I call upon the Minister of National Health and Welfare to work as hard as she possibly can to sell this plan to her own cabinet colleagues, to sell this plan to the provincial governments with whom she will be meeting on November 25 and 26. I call upon her to launch various programs of education, if she will, to sell the idea of the Canada pension plan. I think it can be sold to the Canadian people. I think it is disgraceful, and I might use a stronger word, the job against the Canada pension plan that has been done by the insurance companies and other vested interests. I noted what the minister said on October 29, that the government is not free to spend public money to try to answer that program. However, the government has 125, more or less, Liberals over there. They are not very busy in the House of Commons. I am sure they are looking for something to do. They support the Canada pension plan. Every time one calls for its inauguration, every time the minister says it is still coming in, they applaud. Why not give them material, give them information on the plan, and give them the job of selling to the country the virtues and values to all the Canadian people of the kind of pension arrangements that are envisaged in the Canada pension plan.

If the minister is prepared to accept suggestions from me, I suggest she might put something in the hands of all members of parliament. I think the Liberals would be glad to do this job. I think every member of parliament would. I am not too sure, when I hear the complaints about the Canada pension plan that have come from members to my right, where that group stands. However, I believe even they could be sold on the idea. If the minister wants a specific suggestion, I remind her that a long time ago, before she ever thought of coming to parliament—as a matter of fact on July 29, 1944—there was laid on the table of the House of Commons a draft bill respecting health insurance, public health, conservation of health and prevention of disease. I am going to refer to this when I get to the health section of my remarks, but I mention it now in relation to pensions. At that point the government of that day was promising it was going to do something about health insurance in the immediate post-war period. It found a way—the record shows it and I could explain it to the minister—to lay on the table of the house a draft bill with no resolution ahead of it, no first reading, and no debate at all.

The draft bill was tabled, printed and widely circulated. As a matter of fact Liberal

candidates used it extensively during the 1945 election campaign as an indication of what they would do; but my point in raising this is that I think the minister could find a way to lay on the table of the house a draft bill of the Canada pension plan. There can be the safeguarding kind of note that makes it clear this is not the final form, that it is subject to change after consultation with the provinces and after reviewing various facts, but I think it would be a help to the job of education if she did so, or if some such piece of literature were made available.

The white paper that she tabled on July 18 was an excellent document, but I have run into people who do not see it that way. They do not think it explains things in detail. I am satisfied it does, but if in addition to the white paper we could have a draft bill or some such document for the public to see it would be an awfully good idea.

There are other things to be done. The minister's speech, or at least the speech made on her behalf on September 30 in Toronto, was an excellent reply to the critics of the Canada pension plan. This is something which is not only the possession of the Liberal party and the present government, but it is also the possession of the parliament of Canada and the Canadian people. Let us have the objections brought out in the open, and if changes need to be made let us make them. But let us not lose the plan. Let us not have it go down the drain for want of our people knowing or understanding it, while its opponents, who have a vested interest, have a heyday in their fight against it.

I suggest that the minister consider presenting a draft bill, or referring the subject matter to a committee. In fact I think a tremendous job could be done by hon. members in selling this idea, and to do this at this stage I suggest would be extremely valuable.

As I indicated, Mr. Chairman, the Department of National Health and Welfare has its two main branches. I have spent my time thus far talking about the welfare branch, but there are the two branches, each being presided over by a deputy minister. As a matter of fact the hon. member for Winnipeg North, who will be following me a little later, will speak about one particular aspect of the health branch, but the one point I want to emphasize now is that we think the time has come for health insurance or medicare in this country.

I know that the Liberals get a little tired of my reminding them that sickness insurance, which was the language used then, was promised in those two words, plain as could be, by the Liberals in 1919. In 1944 this draft bill I have been talking about was laid on the table of the house, and it is included in the *Journals* of that session for July 29, 1944. There were also two or three reports about that time, huge documents, and all kinds of work was done on it.

The proposals were then laid before the federal-provincial conference of 1945, and across the years this idea has been held before the Canadian people. Meantime, of course, we get the propaganda of those interested in private insurance, that most people are covered. I thought Pierre Berton answered that very well in a recent article entitled "The Big Lie About Medicare Insurance", which made it clear that those who have some kind of medical insurance do not constitute 70 per cent of the total, as private insurance people claim, but that only 50 per cent have any kind of insurance, and something of the order of only 18 per cent have health insurance that is really worth anything in time of ill health or medical crisis of any kind.

These things add up to the urgent need in our time for a medicare or health insurance program, and there is no question but that the best way in which to have such a program in this country is similar to the hospital insurance legislation, for the federal government to pay a certain percentage of the cost—we think it should be a rather high percentage—leaving the administration of the program to the provinces.

If Quebec seeks some particular arrangement for itself, we think the government of Canada should be prepared to agree to that particular arrangement; but our plea is that the government not rest on its oars because it has got hospitalization on the statute books but that it move on in this very important field of medicare and health insurance. It took nearly 40 years from the first promise of sickness insurance in 1919 to get the Hospital Insurance and Diagnostic Services Act on the statute books.

The Liberals got that act on the statute books, but it did not come into effect until they went out of office. I remember when they were in office and gave us this act we felt it suffered a deficiency in that it did not include tuberculosis and mental illness. Then the Liberals came across to this side of the house and tried to get the Tories, who succeeded them, to put into the act what they themselves did not want to put in it; and now they are back on the other side of the house again, but they are silent on these points.

This is another piece of legislation that needs to be improved. It all adds up to these two things, that the legislation we have in this field, whether it is on the welfare side or the health side, needs review and needs to

be improved. This goes for all of the welfare programs and for the hospitalization and health programs. But, over and above the need for improving these things, we need early action on the Canada pension plan and medicare or national health insurance.

We know these things are costly and we know there are difficulties today, in the light of federal-provincial relations, in sorting these things out; but surely we Canadians are not people who are stalled in our tracks because things are difficult or costly. If they are worth while we can find a way; we can effect the necessary co-operation.

We think that these things that will bring a better day in terms of the security and the health of our people are worth while, and I call upon the minister and the government to give parliament and Canada a lead so that we can get on with these important programs.

[*Translation*]

**Mr. Girouard:** Mr. Chairman, if there are estimates which are hard to criticize, it is truly those of the Department of National Health and Welfare. When the house is in supply, members of the opposition usually claim that the expenses are too high in certain fields and they try to make suggestions.

Since I have not yet heard such remarks, I would say that the opposition parties want the government to spend more in some respects. As far as I am concerned, if I had any suggestion to make, I would spontaneously mention family allowances, a topic which has already been dealt with by the hon. member for Winnipeg North Centre (Mr. Knowles).

Now, I feel that the most important question the minister will have to consider is that of assistance to large families. Indeed, she probably would just have to spend a short while with the Minister of Finance to have part of the revenue from the 11 per cent sales tax on building materials transferred to the heads of families who are out of work because construction has slowed down in Canada.

Mr. Chairman, I must say that I somewhat sympathize with the Minister of National Health and Welfare whose political impartiality is well known, since she is now at the head of a department where she has to keep nearly all her party's election promises and try to please everybody.

I believe that it is customary to make, on behalf of the Minister of National Health and Welfare, the most attractive promises during the election campaign. I feel therefore sorry for the minister, Mr. Chairman.

This afternoon, I was looking at the British North America Act. I think the minister would do well to look up subsection 16 of section 29. She would find that her only responsibility, according to the constitution, would be as "Minister of the Quarantine", since at that time, this was about the only power allotted to the federal government in the field of national health and welfare. That would probably relieve the minister, and during her leisure hours she could go on with her studies of constitutional law, diplomacy section.

Mr. Chairman, I must direct my remarks also to the Minister of Finance since, although it is up to the Minister of National Health and Welfare to fulfil election promises, it is up to the Minister of Finance to foot the bill.

I think the problem we have to face is a harrowing one for both ministers. The best example we have in this respect is the pension plan, which has been promised, which we have been and are still waiting for and which we shall be waiting for, for a long time to come.

That is why I say to the minister that if she really wants to make her department a success, she should go back to the constitution and look after "quarantine", and this is just a preamble to my remarks on her estimates.

I considered the estimates which have been presented and I found that at least ten and even 12 joint programs are mentioned, plans for a federal contribution to certain provinces, including the province of Quebec and several other provinces, in the welfare field.

This gives me an opportunity to express my opinion on a word everyone uses now and which used to make the hon. member for Winnipeg North Centre happy; he said it was coined by his party and marked the beginning of a new era, the era of a new federalism. All parties and all provinces talk of the new federalism.

The other day I was listening with some interest to the hon. member for Three Rivers (Mr. Balcer) when he dealt briefly with this aspect of the question. The hon. member for Three Rivers has been criticized in certain places and congratulated in others. But it is the hon. member for Qu'Appelle (Mr. Hamilton) who drew my attention to this, when he introduced a motion to censure the government's attitude concerning federal-provincial relations. And when the hon. member for Qu'Appelle blamed the federal government for bringing in measures that came under provincial jurisdiction without consulting the provinces, I must admit that he was right.

Because we heard again this evening accusations which are often levelled in the house at the Conservative party who, allegedly, has done nothing during the six

years it was at the helm, I feel I must praise the hon. member for Qu'Appelle (Mr. Hamilton) and the Conservative party for their action in the fields of federal-provincial relations, of bilingualism, and biculturalism; they have certainly achieved more in six years for the province of Quebec than Louis St. Laurent when he was in power. I have to admit it. It is true that when the Conservative party was in power, it tried to complete the work left undone, while from various sides one heard cries of "too little and too late". It was not really too little or too late, though it might have seemed to be too little because patience was wearing thin.

Quebec had waited a long time for action. I must give its due credit to the Conservative party, who has really tried, and opened the door to the improvements that are brought in today by the party in power. Quebec was looking towards the Liberal party, and waiting hopefully for a solution. The hon. member for Qu'Appelle is quite right on that point.

Since it came to power, the present government has only brought down two or three pieces of legislation, and even so it has been compelled to beat a hasty retreat at the last moment. If Messrs. Daniel Johnson and Rene Levesque had not intervened, the newcomers of the Liberal party, set against any centralizing measure, would have been overcome by the old guard, who were hardened centralizers.

Does all this mean that on this matter, the present Prime Minister, the President of the Privy Council (Mr. Lamontagne) and the Minister of National Health and Welfare (Miss LaMarsh) are insincere? No, I do not think so. But after listening during several weeks to speeches in this house, after listening to what the hon. member for Winnipeg North Centre (Mr. Knowles) said recently, I thought to myself that what is wrong, is that the very concept of confederation is out of true. We got to a point where the Prime Minister only has to invite over a representative from each of the provinces of the country and tell them: "Now, I am going to interfere with your jurisdiction, if you see no objection." If those representatives say they have no objection, everything is legalized and becomes constitutional. And we are expected to believe that the principle is safe. When I hear Daniel Johnson say that there is no constitution—

**The Chairman:** I regret to interrupt the hon. member, but may I remind him that we are now discussing the estimates of the national health and welfare department? I should like him to relate his observations to the item now before the committee.

[Mr. Girouard.]

**Mr. Girouard:** Very well, Mr. Chairman. I expected that invitation and I have a reply all made out. I want to help the minister and, when I finish my remarks, to tell the hon. lady in what way it would be easier for her to award that part of taxation to the provinces, because I think that her burden is already excessive and she should reduce it.

When speaking of taxation as being a financial burden for the Minister of National Health and Welfare—I see, Mr. Chairman, that you will presently urge me to conclude my introductory remarks—I recall Mr. Daniel Johnson's saying that federal-provincial conferences were replacing the constitution. He was perfectly right.

Mr. Chairman, to come to the point which you want me to discuss, I would like to mention that when the government legislates in matters of defence, no province is consulted, the bill is introduced and either accepted or rejected.

Why? Because, at the time, the government feels that the matter is within its jurisdiction. The hon. member for Lapointe (Mr. Gregoire) seems to call me to order, because I am speaking of provincial autonomy. I hope that the Chair will forgive me.

When the government calls a federal-provincial conference to discuss a pension plan, it admits right from the start that it will have to legislate in a field which is not under its jurisdiction. To take all the trouble of gathering the representatives of the ten provinces around the conference table, just to ask for their permission to legislate. To my mind, that is the great weakness of our present system.

I did not want to engage in a discussion on confederation versus federation, but as the estimates before us give me a chance and as we have prominent professors of political science in the house who do not want to do so, I shall try to explain why those concepts are all wrong. I think that a true confederation is a union of ten independent provinces pursuing a common aim.

A federation, or the new federalism which is so much discussed, is a different thing. It means a group of states or provinces gathered around a central mandatory government.

**The Chairman:** Order. I regret to interrupt the hon. member, but it seems to me that his comments are in no way relevant to the item presently before the committee and I would invite him to speak more directly to the item presently before us.

**Mr. Girouard:** Very well, Mr. Chairman. To revert to the estimates, I shall take into my hands the blue book, at page 256. When I look at the various appropriations I see this:

Health services, including assistance to the provinces.

A few millions.

General public health grants, to assist the provinces.

A few millions.

Hospital construction grants to assist the provinces.

A few millions.

Contributions to provinces under agreements entered into pursuant to hospital insurance act.

A few millions.

Medical services.

A few millions.

These few votes I have mentioned have to do with provincial grants. This is the point I want to make. Now, if the present government, if the Minister of National Health and Welfare is able to bring up an estimate of the contribution which the central government may make to the provinces, it means those millions which are to be returned to the provinces must originate somewhere.

The Minister of Finance (Mr. Gordon) stated that if we were to hand back to Quebec 25 or 50 per cent of her taxation rights, we would still have to levy taxes and go and get that money from the same place.

In my view, if the Minister of National Health and Welfare handed back to the provinces their responsibilities at the same time they got back their taxation rights, this share we have in the estimates would not constitute an obligation because, if the province of Quebec could tax up to 100 per cent, 80 per cent or 70 per cent as she wished, at the same time she could take over her own full share as regards old age pensions, family allowances and other social benefits.

I feel I have come fairly close to the matter now before us. At this point, may I say that when the hon. member for Three Rivers (Mr. Balcer) told us the other day that, if the provinces were to become a bit too powerful, this could weaken Canada, I do not think he quite meant it that way. In any case, I disagree with him.

It seems to me that if instead of talking about a new federalism we really went back to the true spirit of confederation—for instance, in matters of aid to municipalities, family allowances or old age pensions—if we were to let the provinces have this field of taxation, the estimates at hand would perhaps be reduced by one fourth. Then it would be up to the provincial governments to talk about family allowances and every one would not be inclined to blame the federal government.

Mr. Chairman, I talked rather a long time about this matter—thanks to your patience I was able to explain why things are not going well in our federal system.

In my opinion, federal-provincial conferences, like the forthcoming one, can help just the same—

**The Chairman:** Order. I think the hon. member is going to talk about the next federal-provincial conference. May I ask him to come back to the vote now under consideration?

**Mr. Girouard:** Mr. Chairman, I wish that the question of the portable pension scheme could be settled at the next conference, but it will be necessary to come back to the spirit of confederation if a Canadian entity is to be achieved.

**Mr. Belanger:** Mr. Chairman, I am pleased that the debate on the estimates of the Department of National Health and Welfare gives me the opportunity to discuss the social legislation in general that this department administers.

In the last 30 years, the house has agreed to pass various social measures to help those Canadians who found themselves in a less favourable situation than their fellow citizens as a whole.

In fact, legislation to help children, families, old people, the disabled and the blind was enacted. And although those measures were meant to help those people, when the time came to implement them, they were found to contain provisions that made it impossible to attain the objectives we had in mind. That is precisely the point on which I want to call the attention of the Minister of National Health and Welfare (Miss LaMarsh). She should certainly consider my suggestions if she wants to help the government set right certain injustices.

Our legislation concerning old age security and old age assistance are examples of this.

Under those two pieces of legislation, if the head of a family has reached the age where he is entitled to the old age pension but his wife has not reached that age, both he and his wife have to live on a pension which was established for one person only. This kind of situation is not normal and should be set right. In my opinion, the Minister of National Health and Welfare should bring in an amendment to enable both spouses to get a pension even if the wife is ten years younger than her husband.

Both the Old Age Security Act and the Old Age Assistance Act should be amended along those lines.

Let us move on to the Disabled Persons Act. A short while ago, the hon. member for

Winnipeg North Centre (Mr. Knowles) stated that, for the purpose of the act, the definition of total disability is very strict.

In fact, as mayor of the town of Beaupre, I was asked to study the case of certain disabled persons and to help them get a pension. That is how I came to realize that serious injustices were done because the definition of the word "disability" is much too strict. In that connection, allow me to speak of a man who had both legs and one hand amputated because they had been frostbitten. In fact, he had only three fingers left on the other hand. I tried to get a pension for that man and when I was turned down I had to tell them: Are you going to wait until he has his head cut off?

This is an anomaly that should be corrected at all costs in order to make this act more humane and to see that it serves the purpose for which it was enacted.

There is also another provision under this act that should not be applied. It is paragraph G-2, subsection 2, of section 3. This section provides that a disabled person is not entitled to a pension when husband and wife earn $1,980. It is utterly inhuman to oblige two persons to live on $1,980, more especially when one of them is disabled.

As far as the Blind Persons Act is concerned, the situation is somewhat different, in that two people are allowed to earn $2,460.

Now, what happens when a family head is disabled or blind? Because she wants to give a little more comfort to her family, to her children, in short, enable them to live as well or almost as well as their neighbours, the mother goes to work in order to earn a few dollars. When that happens, the officials of the department reduce the pension of the blind or disabled person, and that because these people have shown energy and courage in trying to improve their lot. They penalize them. They say to them: If you work too hard, if you earn too much money, we shall reduce your pension.

That is another anomaly which I suggest the minister should correct immediately.

Mr. Chairman, I come now to the Family Allowances Act.

During the last electoral campaign, supported in this by nearly all the other political parties, the Liberal party promised to increase family allowances and to extend them to age 18. As for us, we had asked that they be extended up to age 21.

Well, at the beginning of the present session, we suggested that family allowances should be increased and we even submitted a notice of motion to that effect. I should like to say that the comments we have received on that score have been, on the whole, rather favourable.

On June 17, 1963, the hon. member for Carleton (Mr. Francis) said, as can be seen on page 1251 of *Hansard*:

> Our party is committed to extending family allowances to children at school to the age of 18 years. At the appropriate time, I am sure this legislation will be brought before this house to implement the commitment which was firmly made during the course of the election campaign. However, I presume one of the purposes of this measure would be to extend family allowances and make them the basis of a salary for students attending university.

The hon. member carried on for a little while, as if he were not satisfied that we would thus be reminded that we had brought pressure to bear on the government since the beginning of the session in order to obtain an increase in family allowances.

On July 3, when the house was still dealing with family allowances, the Minister of Justice (Mr. Chevrier) said, as reported on page 1806 of *Hansard* for that day:

> I conclude by saying that we have a policy on family allowances. We did mention it during the election campaign, and the program will be fully carried out but give us a chance to catch our breath. We must be given sufficient time to see what should be done. If that is not enough, do not forget that we did much more in 60 days—

Mr. Chairman, four months have gone by since the Minister of Justice asked us to give a breathing spell to the government. They must surely have caught their breath since then and they should be able today to increase family allowances, for if we fail to do so, we seriously wrong our Canadian families and our Canadian children. Since the beginning of this session, we have voted millions of dollars for large firms and municipalities, in short, we have voted millions for this and that.

I am in favour of these things, to improve markets, promote the economy. Our party supports all that.

But we also know that there are no better means of activating the economy than to increase the purchasing power of families all over Canada, because if it is distributed all over this country, it will promote the national economy and at the same time we shall solve a part of the unemployment problem by activating consumption which, in turn, will activate production.

I think it would be the most just and human means to activate the economy of this country.

Consequently, in view of the excellent steps taken by the government until now and in order to do justice to Canadian children, I move with the support of the hon. member for Roberval (Mr. Gauthier):

That the Minister of National Health and Welfare should, in the opinion of this house, consider the advisability of increasing family allowances as soon as possible.

**Mr. Choquette:** Mr. Chairman—

[*Text*]

**The Chairman:** I am wondering whether any member has any comment to make in connection with the validity of the amendment now proposed.

**Mr. Knowles:** Mr. Chairman, as I intimated when I made my observations a few moments ago, I favour an increase in the family allowance. I do not intend to develop that statement; I just want it to be clear that it is from this viewpoint that I rise to make a comment on this amendment, because I am also concerned about our procedure in the House of Commons.

We are now in committee of supply dealing with estimates. What is before us at the moment is a resolution in accordance with citation 238 of Beauchesne, fourth edition:

Resolved that a sum not exceeding... be granted to Her Majesty for... for the year ending 31st March, 1964.

That is the only resolution which is before us.

**Mr. MacNaught:** Could I ask a question? What was the number of that citation?

**Mr. Knowles:** I was reading from the end of citation 238 which appears on page 201 of Beauchesne's fourth edition. Now I would ask members to look at citation 242 on page 203. The first paragraph is a lengthy one. Let me read the last part of it:

Each resolution for a grant forms a distinct motion which can only be dealt with by being agreed to, reduced, negatived, superseded or withdrawn. The committee may reduce the amount of a grant by the omission or reduction of the items of expenditure of which the grant is composed. Here the power of the committee ceases.

Subparagraph 2 says:

The only motion allowed, when a resolution is under consideration in committee of supply, is that the amount be reduced or that the chairman leave the chair (either without making a report or to report progress on certain resolutions).

Subparagraph 3 states:

Each resolution can only be dealt with by being agreed to, reduced, negatived, superseded or, by leave, withdrawn, and the withdrawal can be made although the decision of the committee has been taken upon amendments proposed to the resolution.

Then, once again, follow the words:

Here, the power of the committee ceases.

Another sentence in the same paragraph states:

It is not allowable to attach a condition or an expression of opinion to a vote or to change the destination of a grant.

I think the point is quite clear, Mr. Chairman. I am all in favour of my friends in the corner trying to get the government to implement its promise to increase family allowances. I urge my friends to make all the speeches they want about the matter and to move their amendments at the proper time, but I plead with them to recognize the clearly established procedures in committee of supply. There are many other opportunities to move substantive amendments, but when we are in committee of supply we do not have the opportunity to move these expressions of opinion.

I make this as a contribution to the point of order debate, but I also make it as an appeal to my friends in the corner not to treat this as the kind of thing to appeal and to put the house in the ridiculous position of appearing to vote on the subject of family allowances, when we would not be doing that. What is before us now is the established and proper procedure of dealing with money votes, and the only thing we can do is vote for the item, vote against it or reduce it. We cannot change its destination; neither can we attach a condition to the vote. Therefore, Mr. Chairman, I think it is clear that the proposed amendment is out of order; but I hope that, even as you permitted me to speak on it, you will hear others who may wish to speak before you make your ruling.

**Mr. MacNaught:** Mr. Chairman, I agree wholeheartedly with the remarks made by the hon. member who has just taken his seat. For the reasons given by the learned gentleman the amendment is out of order.

**Mr. Monteith:** Mr. Chairman, if I may preface my remarks as the hon. member for Winnipeg North Centre did, I too want to put our party on record as urging the government most strongly to fulfil its election promises concerning family allowances, but I do feel that the hon. member for Winnipeg North Centre has expressed our viewpoint with regard to the amendment being out of order.

**Mr. Pickersgill:** I wonder whether I could say a word for the attention of the hon. gentleman who moved the amendment. It seems to me that in doing so and in getting this expression of opinion from all parts of the house he has really accomplished what he is seeking to do, that is to say, to bring the matter forcibly to the attention of the committee. I think there is no question that the citations made by the hon. member for Winnipeg North Centre are perfectly correct. This amendment is not the kind of amendment that, under the rules can be moved at this time, and if we are to make progress and have order in the house we do have to abide by the rules.

It seems to me it would serve very little additional purpose to press a matter of this kind, and have a ruling, and so on, which could only take one form. In the interest of getting on with the business of the house, now that the hon. gentleman and those associated with him have had the opportunity to bring this matter very forcibly before the committee, I wonder whether the hon. member would not agree to withdraw the amendment.

In saying that, I might also say that the government has every intention, as my right hon. friend the Prime Minister has said in the house as well as elsewhere on more than one occasion, of carrying out the undertaking given to the electorate about family allowances at the earliest practical time. But we cannot introduce it into these particular estimates at this particular time. Therefore, now that hon. gentlemen have accomplished what they set out to do, to bring this matter forcibly to the attention of the committee and to get the matter on the record, I wonder whether they would consider expediting matters by withdrawing the amendment.

**Mr. Leboe:** On the point of order, Mr. Chairman, if the amendment is out of order, I do not think there is any question of withdrawing something that is out of order.

**Mr. Caouette:** I thank the hon. member who has just spoken, but even if the proposed amendment is out of order I think it is up to the member who presented the amendment to withdraw it or to insist on a vote. According to my understanding of what the Secretary of State has said, in order to expedite the work of the house he is asking the hon. member for Charlevoix to withdraw the amendment. Personally I feel that the hon. member for Winnipeg North Centre has given us enough information. It is true that we wanted to bring the matter before the House of Commons, and it is our hope that the Secretary of State and the government as a whole will take due notice of what we are asking for in the amendment. I would personally ask the hon. member for Charlevoix to withdraw the amendment.

**Mr. Langlois:** Mr. Chairman, just before the hon. member for Charlevoix speaks I should like to remind the government that we urged the Minister of National Health and Welfare to study the possibility attentively, and not too long ago—

**Some hon. Members:** Order.

**The Chairman:** Order, please.

[*Translation*]

Would the hon. member for Megantic allow me to remind him that he cannot speak on the point of order now? If he intends to make any remarks, he can wait, for he will have the opportunity to do so during the debate. I recognize the hon. member for Charlevoix.



**Mr. Belanger:** Mr. Chairman, having heard the expression of goodwill from all the parties in the house and being comforted by the promises which the Secretary of State has just made, I am pleased, in order to contribute to the progress of this debate, to withdraw the motion I have just moved.

[*Text*]

**The Chairman:** Has the hon. gentleman leave to withdraw the proposed amendment?

**Some hon. Members:** Agreed.

[*Translation*]

**Mr. Choquette:** Mr. Chairman, we have just been witnessing, a moment ago, another burst of demagogy—

**Mr. Belanger:** Mr. Chairman, I rise on a point of order. I have just withdrawn my motion. Therefore, I submit that the hon. member for Lotbiniere has no right to say that I have acted in a demagogic fashion. Since I have withdrawn my motion, he has no right to debate it because it no longer exists.

**Mr. Choquette:** Mr. Chairman, on the point of order. I made no reference to that motion, and here the hon. member—

**The Chairman:** Order. The hon. member understands that he must not make any reference to what has happened. He must limit himself to the discussion of the estimates of the Department of National Health and Welfare.

**Mr. Choquette:** Mr. Chairman, I am always eager to comply with the decision of the Chair, in the conduct of the discussions in the house.

I do not understand the emotion of my colleague from Charlevoix. I merely said that we had been witnessing a burst of demagogy, and that without any reference to anything whatever. I do not intend to talk about—

**An hon. Member:** You do not know what you are talking about when you say that.

**Mr. Choquette:** I do not intend to talk about the motion which has just been withdrawn. I merely want to make some remarks about the typically "oppositionist" speeches which we just heard.

It is obvious that the primary role of the opposition is to ask and to ask always more than it is possible to grant.

**Mr. Gregoire:** Mr. Chairman, we are now studying the estimates of the Department of National Health and Welfare and not the function of the opposition. If the hon. member

wishes the opposition to withdraw, we are ready to do so in order to let him speak.

**An hon. Member:** Don't try to be witty.

**Mr. Choquette:** Mr. Chairman, I have not yet spoken three sentences and I am plagued with points of order.

**An hon. Member:** This is because you are not complying with standing orders.

**Mr. Choquette:** I am pleased to see that my hon. friends are afraid of the terrifying words I am about to say about the estimates of the Department of National Health and Welfare which we are studying tonight.

I am happy, as are all my colleagues, to see that the Liberal party has been a real pioneer in the field of social legislation.

We are indebted to the party now ruling the destinies of our country for the beneficial welfare legislation existing in our country because, in fact, the principle on which the government based itself is a very liberal doctrine which respects the dignity of the individual, recognizes the family as the basic unit of society, insures the security of the aged, protects those who are unemployed and provides the necessary care to the sick.

The Liberal party is responsible for all welfare legislation; knows how to administer it in accordance with our good parliamentary institutions.

We heard a moment ago some people asking for more from the government. I can say I believe, that we on this side of the house even more than the hon. members opposite, favour an increase in family allowances because in our estimation they are inadequate at the present time. And we are able to intercede for those who are in need just as well, if not better, than the obstructionists and the demagogues who sit across from us.

Mr. Chairman, there are members of the New Democratic party; at least they think. There are also the people—

**Mr. Belanger:** Mr. Chairman, I rise on a point of order. Is the hon. member allowed to call the members of the house demagogues? Is that a parliamentary word? As I lack experience since I am a new member I am asking you.

**Mr. Choquette:** Mr. Chairman, be it parliamentary or not, I say again that they are demagogues.

Mr. Chairman, we have in this house members of the New Democratic party, who think; there are the Caouettistes, who talk; but there are on this side of the house people who think, talk and act. That is the difference between us and those who do nothing but make unreasonable demands, knowing quite well that it is impossible to comply with their requests.

Here I refer to *Hansard* of February 4, 1947. At that time, there was the hon. member for Villeneuve who is still sitting, but not for long. What did he promise? He promised at that time a dividend, and I quote his words literally—

**The Chairman:** Order. Once more I take the liberty of reminding the hon. member that he must limit his remarks to the estimates now before the committee.

**Mr. Choquette:** Then, Mr. Chairman, to revert to the estimates—

**Mr. Caouette:** On the point of order, when the hon. member for Lotbiniere wants to speak of a national dividend, it seems to me that this would come within the purview of the department of national health and I submit that he should be allowed to go on and talk about this national dividend.

**Mr. Choquette:** I rise on a question of privilege. Since I have the honour of sitting in this house, every time I rise it is always the same group on the other side who makes noise and prevents me from delivering the speech I am entitled to. This is the question of privilege I am raising. Would it be possible to stop the row made by those who disregard the dignity of this great parliamentary institution?

**Mr. Gregoire:** On the question of privilege, I should like to point out, with regard to the remarks of the hon. member of Lotbiniere, that last year when he was not sitting in the house, there were no such demonstrations and rows. This is simply due to the example he has been setting since the beginning of the session.

**The Chairman:** Order. There is obviously no question of privilege in the point raised by the hon. member. I ask him therefore to co-operate with the Chair and with his colleagues in the house by reverting to the matter under discussion, that is, the estimates now before the committee.

**Mr. Choquette:** Mr. Chairman, a moment ago I was pleased to see the Conservatives cheering with the Social Crediters. Birds of a feather flock together.

As for the estimates of the Department of National Health and Welfare—from which I have never departed—I must say that when we mention the Department of National Health and Welfare we are practically speaking of a Liberal institution and I wish to insist on that point, Mr. Chairman. If this department is now showing such consistency—

**Some hon. Members:** Order.

**Mr. Choquette:** It is due to the impetus—

**Some hon. Members:** Order.

**Mr. Choquette:** Mr. Chairman, each time I speak, always the same fruitless, shallow, useless and childish interruptions can be heard. I wish to state briefly and objectively my views in regard to the present Department of National Health and Welfare directed by a most intelligent and competent minister of whom we are proud.

**Mr. Pigeon:** Would the hon. member allow me a simple question? Does he feel that the Minister of National Health and Welfare is smart when she says that Quebec is a nazi province?

**Mr. Caron:** She denied ever having said that.

**The Chairman:** Order, please.

**Mr. Choquette:** That is such a simple-minded question that I choose to ignore it.

Canada's social legislation compares favourably with that of any other civilized country and we have a right to be proud of the present system which was set up not by people who had the habit of making pompous promises which could not be carried out but by people who could conceive a workable system. Thus the predecessor of the present minister—

**Mr. Langlois:** Mr. Chairman, I rise on a point of order. Since the beginning, the hon. member for Lotbiniere was to limit himself to the estimates now before us. He talked about everything, except the estimates. A moment ago, he spoke on a point of order; then he spoke on a question of privilege; he spoke about demagogy, but he still has to utter a word on the estimates now before us.

**The Chairman:** I understand that the hon. member for Lotbiniere wishes to lay down premises for the speech which he intends to deliver, and it is in that sense that I interpret his words. On the other hand, I agree with the hon. member for Megantic that this is not the time to make a statement on political principles.

**Mr. Choquette:** Do you have other questions to direct? Do you have other points of order to raise?

**Mr. Gregoire:** Stick to the estimates and everything will go along smoothly.

**Mr. Choquette:** If you have other objections, be kind enough to state them now.

**Mr. Gregoire:** No, just speak about the estimates.

**The Chairman:** The hon. member should address himself to the Chair.

[Mr. Choquette.]

**Mr. Choquette:** Mr. Chairman, as I said, my remarks will be very short, because I only wish to underline—

**Mr. Valade:** All this makes no sense whatsoever.

**Mr. Choquette:** —the tremendous efficiency of the minister of health. I wish to point out the fact that public money and more particularly the moneys earmarked for that department have been spent very adequately according to our imperative needs. We should look after needy people, bring security to our senior citizens, think of families in want, help the unemployed, and adopt measures that would allow the sick to receive adequate and sufficient care. I maintain that such a program covers most of the citizens' needs. Having studied the estimates which are submitted to us tonight, I state without fear of being contradicted, that the program of the department cannot be bettered.

Mr. Chairman, there will always be room for progress and advancement. That, we are able to request. We, on this side of the house, and more particularly the members from the province of Quebec, also can exert some pressure on the government authorities in view of a wider public assistance being granted to those who are generally called the underprivileged.

Mr. Chairman, I shall conclude my remarks which will please my hon. friends; I see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) did not like my motion yesterday.

Mr. Chairman, in order to finish my remarks, I shall say this: the federal-provincial conference—

**Mr. Gregoire:** Mr. Chairman, a few moments ago, you called to order an hon. member because he was speaking of the federal-provincial conference. Now, the hon. member for Lotbiniere also wants to deal with this matter. It seems to me that he too should be called to order.

**Mr. Choquette:** Mr. Chairman, the federal-provincial conference is due to start in the near future.

**Mr. Gregoire:** Order.

**Mr. Choquette:** During that conference, the pension plan, which may be a controversial matter, will certainly be discussed.

We should expect much from that conference, as it is to be hoped that it will work in great harmony, because this government's policy which is obviously based on what we have henceforward agreed to call co-operative federalism, may certainly give us hope.

The pension plan is becoming a compelling necessity and, once again, it will be another

achievement of the Liberal government. Once again, we will be able to claim that the whole social legislation in Canada is the essential and vital work of the Liberal party.

Mr. Chairman, that is relevant to the matter before us tonight, since the Department of National Health and Welfare will have to incur additional expenditures for the administration of that plan. That is relevant to the estimates before us, with all due deference to my hon. friends.

Mr. Chairman, once again we will be able to contemplate that wonderful policy which is aimed at the welfare of all citizens.

In concluding, Mr. Chairman, I say that providing we give jobs to the unemployed, providing we give security to the underprivileged, providing we give our farmers an equitable income, the relations between our provinces, the relations between the two great racial groups in our country will become harmonious. That is the wish I make and which all of us are expressing from the bottom of our hearts.

**Mr. Valade:** May I ask the hon. member for Lotbiniere a question?

**Mr. Choquette:** If the question is as simple as the one asked by the hon. member for Joliette-L'Assomption-Montcalm—

**Mr. Valade:** My question is as simple as the hon. member who just took his seat.

Did I understand the hon. member for Lotbiniere to say a while ago that the estimates brought down by the Minister of National Health and Welfare were the best estimates he had ever seen introduced in this house?

**Mr. Choquette:** No, never. I never said that.

**Mr. Gregoire:** He did not even talk about the estimates.

**Mr. Choquette:** Mr. Chairman, once again I rise on a question of privilege, and I am putting it this way: lately, this parliament has been taken to task in certain newspaper articles for the childish manner in which its members have been behaving. Now, we have here the situation where an hon. member asks me a question and, before I can begin to answer, once again we have this shouting and hollering from the other side of the house.

I have a right to protest for the sake of the respect and dignity to be shown in this house, because ever since the "Caouettists" have been disgracing parliament and our race, we have been accused of making fools of ourselves.

**Mr. Valade:** Did the hon. member for Lotbiniere answer my question?

[*Text*]

**The Chairman:** Order. The hon. member for Springfield.

**Mr. Slogan:** In the first instance, Mr. Chairman, I want to extend my best wishes to the minister and her parliamentary secretary on this auspicious occasion when they are presenting for the first time the estimates of the Department of National Health and Welfare. I am sure they will agree it is a very fine set of estimates, and they may thank the former minister for diligent work in that regard.

The hon. member for Grenville-Dundas said that we in this party were willing to shorten our speeches, and the number of them, and were prepared to see the whole of the estimates pass this evening. I am sure the minister now sees she is being hampered by her own party, by one of the most irrelevant, inconsistent—

**Mr. Pigeon:** Stupid.

**Mr. Slogan:** I could use many other adjectives about the speech of the last speaker. Certainly if anybody is making a farce out of parliament, it is the government members themselves.

**Some hon. Members:** Hear, hear.

**Mr. Slogan:** I was very pleased to see the minister come into the house today her very affable and amiable self. I am glad she discarded that "bull in a china shop" attitude which she sometimes displays. I am particularly glad to see her with such a broad and handsome smile, displaying such a fine set of pearly teeth. I as a dentist commend her for that. I hope she will use those teeth and sink them into some of the suggestions I will make in my remarks, especially those regarding dentistry.

I think the hon. member for the Northwest Territories will deal in more detail with the northern health branch. I just want to say a few words in regard to the northern health services as they pertain to my constituency. In this regard I would like to commend the former government for bringing to the north a very fine and expanded health service. We in Springfield have two nursing stations, one at Little Grand Rapids and one at Berens River, serving the inaccessible areas of my constituency. Indeed, we have a veritable flying doctor service, and I might say that the people manning these stations are doing a wonderful job. I think that if they were given more staff and leeway this service

could be further improved. The Glassco commission handed down a report which suggested, among other things, that Indian health services should wherever possible be integrated with normal community health and hospital services. We in Springfield are doing just that. A new hospital wing is being constructed at the Pine Falls general hospital, where the Indian health services and the community health services will be combined and integrated. I must compliment the people of that community for the very fine attitude they have taken to this step. This hospital wing is presently under construction. It is going to cost in excess of $500,000, and I am sure that when completed it will be a credit to the community and to the department.

In this regard I would caution the minister about the manner in which she answers questions that are put on the order paper. With regard to this hospital I asked three questions. One was No. 776. To this question I really did not receive any answer at all. Another question was No. 1,129, to which the minister replied that the federal grants amounted to $375,000 for this hospital. Then there was question 1,325, to which she replied that the grant amounted to $405,000. I think that if the minister and her colleagues would pay a little more attention to the manner in which they answer questions they would be more consistent in their replies than they were in this case.

While I compliment the northern health services and the expanded facilities in general, I must say that when it pertains to dentistry it is a different story. I think a great deal of improvement could be made in the dental health services in the north. I might give just one instance. There is a lack of dentists in a great many of these northern areas and it falls upon the R.C.M.P., the missionaries and other people in these areas to extract teeth in an emergency. I am thinking in particular of one missionary at the Hollow Water reserve whose father was a missionary before him. This man undertook this role and has performed it up to this time. Now the Department of National Health and Welfare has cut off the supply of local anaesthetic to this missionary. When dealing with this matter I may be treading on rather precarious professional ground, but I must implore the minister—and I wish she would listen when I am imploring her—to do something in this regard. I would tell the minister that it is not very much fun having teeth extracted without anaesthetic, and if I need to prove that assertion to her or any of her officials, I would be only too glad to do so. I would implore her to reinstate the practice of supplying this missionary with local anaesthetic so that in the case of an emergency he may make an extraction and will not have to do so without anaesthetic.



Also in my riding we have the model town of Pinawa. A $600,000 hospital will be constructed there shortly. In this regard I might say that when the Conservative government came into power in 1958 we increased the federal health grant from $1,000 to $2,000 per bed. I think it is time the department reconsidered these grants, especially in view of the action taken by this government in imposing a tax on building materials, to see whether they should not be increased further. I think other speakers will have more to say about this matter. I wholeheartedly agree with the hon. member for Grenville-Dundas who said the increase in the cost of the hospitalization program is alarming. I think several things could be done by the department to perhaps curb this expenditure. I am not going into detail on this question because I am sure other hon. members will deal with it.

Previous speakers mentioned family allowances. I am wholeheartedly in favour of the principle of extending family allowances beyond the age of 16 years to those children attending school. I certainly hope the present government will not do what it did with the increase in the old age pension in 1957, when they implemented it just before an election and left the succeeding government to pay for it. I hope they will bring this about, and bring it about soon. I would like to say a few words about the old age assistance, and pensions to blind and disabled persons. I think the government is certainly not following the good example set by the former government, which increased the old age assistance and the pensions to blind and disabled persons simultaneously with the increase in the universal old age pension. I am at a loss to understand why the department has not taken similar action. We said we were willing to pay the increase if the provinces would agree to do their share and implement this program. We have been talking about federal-provincial conferences and everything else in this house as if this were some new principle that was being introduced. As far as I am concerned, the government is offering no leadership whatsoever in this regard. These are the very people who need this increase most, because they are being paid these pensions on the basis of need. I can only conclude that the government is trying to mark time and put this matter off as long as possible in order to reduce somewhat the record deficit which they are going to have.

These are a few suggestions on general matters that I wanted to place before the minister. Now, as a member of the dental profession, I would like to say something about the role dentistry plays in the community and what part the federal government should play in extending dental services more universally. The people of Canada spend about $125 million a year on dental services. This represents 8 per cent or 10 per cent of the amount of money spent by the Canadian public on health services. I think that is a quite significant fact. It will be more significant, I think, when I say that of the national health grants only 1 per cent is allocated to the field of dentistry and dental health. I think it is incumbent upon the government to at least raise this amount to the level of the percentage of money spent by the people on dental health services as compared to the health dollar in general. I think this percentage should be raised to 10 per cent. That is certainly not out of line. The niggardly amount of money that is being spent on dental research is illustrated when we see that only 15 cents is spent on dental research for every $100 that is spent on dental treatment. I know that a certain amount of money is being provided by the federal government to be spent through the national research council. I think the grant is something in the order of $200,000. This amount should be substantially increased. I am taking the liberty of quoting these figures to show the importance of dentistry to the community as a whole. I might say that I feel the staff in the dental division should be increased. I understood they have provision for three full-time dentists in the dental division. There is one vacancy there now. I hope that vacancy will soon be filled and that as soon as possible the staff is substantially increased. I am not criticizing the members of the dental division because I think they are dedicated, optimistic, and are trying to do a very good job with very limited financial support and encouragement from the department. But I think more and more emphasis must be placed on this field. As I say, that can be done through increased dental health grants toward dental research. I know the staff have on the boards a large number of very vital research projects, such as research into oral cancer and research into the etiology of periodontal disease. When we think that one out of every two teeth lost is lost because of periodontal involvement, then these developments are very important.

I place particular emphasis on research because dental diseases are almost universal. At the same time it is sad to think they are almost universal, because they are also largely preventive. It is in the interests of our economy that the federal government should encourage research and preventive and educational measures in order to cut down substantially on the incidence of dental disease and on the amount of money which needs to be spent by the public and by the government on dental treatment.

I think emphasis on dental education of the public has to be placed on proper oral hygiene and proper diet, because preventive measures can largely eradicate a large number of dental diseases which lead only to disastrous and expensive complications. When we consider that only one quarter of the population receive any regular dental treatment it is understandable that education will do a great deal to bring this number up.

One of the preventive measures we can encourage and emphasize is fluoridation. I mentioned fluoridation once before in the house and I got all sorts of letters from all sorts of people, and even all sorts of threats. However, this is a measure I commend to the people of Canada as a whole and to the government in particular. Studies across Canada show that five out of every ten of our four-year-old children and eight out of ten of our six-year-old children have suffered from dental decay, and that the average child when beginning school has five decayed teeth. This is quite a sad commentary on the state of dental health in Canada. In the town of Stratford, where they have natural fluoridation, the incidence of dental decay in the same age group is about one quarter of what it is in the population as a whole. I think this would show that fluoridation of community water supplies is a very important and economical preventive measure in dentistry.

Let me say that the cost of fluoridating a community water supply runs about 20 cents per capita per year. In other words, the cost of a single filling will fluoridate the water supply for a person for 20 to 30 years. All sorts of studies on millions of people have shown that fluoridation of water supplies will cut down the incidence of dental decay in children by two thirds, and this general dental health is carried on into adulthood. Surely we can see the millions of dollars which will be saved by the public in general if we adopt fluoridation more widely. It is being adopted more widely across this country now, but I hope it will be adopted even more widely when we compare the 20 cents which it might cost to fluoridate a community water supply per person per year with the average expenditure of over $20 per person on dental treatment.

I should also like to speak about health insurance in its relationship to the dental profession, and the attitude of this profession

towards health insurance. I should also like to make some remarks with regard to the implementation of dental health insurance in conjunction with the universal form of contributory or other medical health insurance. I think the Canadian Dental Association should be commended for its very broad-minded approach to this subject. They have come out in favour of a dental health insurance program. They have done a great deal to study the problem, but the problems which face dental health insurance are far more serious than those which face medical health insurance. A relatively predetermined amount of people every year have to undergo medical treatment. However, it is recognized that almost everyone has to undergo dental treatment, and it is therefore very difficult to apply general insurance principles to universal dental coverage.

The dental association is very cognizant of this fact and is very careful in laying down the ground rules under which dental health insurance can be brought forward. They say that they are willing to co-operate with the government but that there are certain principles which they would like to see recognized. For example, the principle of freedom of the patient to choose his dentist; the freedom of the dentist to choose his patient; a system of remuneration which is mutually acceptable and preferably based on a fee-for-service basis. There has to be co-operation between the patient, the dentist and the government. The people who are chosen to administer this program should be people who are approved by the profession, and the public, and they should not serve strictly a political function.

There are various methods of introducing a program of this sort. The first one is that the government must bear some responsibility before introducing such a program for doing something to provide assistance to educational institutions and to provide the personnel necessary to carry out this program. That is one of the first things the government must recognize.

This is, of course, largely a provincial matter. However, I think that if the federal government is going to impose a system of compulsory dental health care universally it must recognize that it has a role to play in educating the personnel. Second, it must recognize that through education of the public a large amount of dental treatment can be avoided. Therefore, a great deal of emphasis has to be placed on public dental health education, and a lot of it at the federal level. The third matter is that if a comprehensive dental health program is introduced there is obviously going to be the necessity for auxiliaries because of the shortage of dental manpower, and very careful steps must be taken in this program to institute a training scheme for these auxiliaries.

There are two principles which could be brought to bear in the introduction of a dental health program. First of all, you might as well wipe out of your mind the idea that everyone can be covered at the beginning. There are only two ways in which a dental health program can be attached to a general health insurance program. The first of these would be by introducing the lower age levels or school age levels, and then advancing the plan to include the general public. Second, they could adopt some such plan as now exists in Manitoba. Here the service is provided for those who are indigent, in receipt of mothers' allowances, and so on. These all have medicare cards. They present them to their dentists and are entitled to free dentures and other services as required. The dental association itself administers this plan. It is paid a per capita fee by the provincial government to cover expenditures, but the administration, as I have said, is carried on by the association itself. We prefer this because it is less complicated than filling out endless forms in duplicate, triplicate and quadruplicate as has to be done now in dealings with the Indian affairs branch, the Department of Veterans Affairs and so on. If we do not adopt one or the other of these approaches a situation will be created in which the best interests of dental health will not be served.

In Manitoba the dental association recognized its social responsibility by agreeing to accept a lower rate of remuneration for the work done for these indigent patients. It realizes that it must do something for those in the community who could not otherwise be looked after. I think the program in Manitoba works very well, and it may be one way of introducing a program on the national level. More idealistic people feel, of course, that eventually everyone should be covered. I agree with that view, and I think the dental association would agree with it. However, we must avoid the pitfalls. Let no one think it is possible to sit behind a desk and figure out that people will get dental coverage on the same basis as medical coverage, because the dental field defies insurance principles. If an attempt is made to cover all Canadians, premiums will be so high as to be prohibitive.

At the present time, dental associations are studying prepaid dental plans. Pilot projects are being instituted, but even on this basis they are running into all kinds of difficulties actuarially. For this reason I want to emphasize the need for proceeding with due regard for the difficulties of the situation. I believe the dental profession in Canada should

be complimented for its public spirited attitude towards the need to extend dental care services in Canada. I think they are trying to play a role commensurate with the ideal of rendering the best dental service possible to the people of Canada. I believe that with the co-operation of the government such a service could be extended universally. I look forward to that day and I can assure the government that it will get the wholehearted co-operation of the dental profession.

At the same time, I should like to see steps taken immediately in the fields of education and prevention to see that the groundwork is laid for the day when this plan can be realized. I hope it will not be brought about merely as a measure of political expediency as has happened recently in a province, causing turmoil and friction between the profession and the community. I hope we shall never see that happen in Canada at large, and that the experience in Saskatchewan will teach us that that was the wrong way to go about it.

**Mr. Douglas:** Any health service you have in Manitoba you got from Saskatchewan.

**Mr. Slogan:** I do not think the hon. member should complain too much, because he was run out of that province as a whole, for what he did in Saskatchewan.

I commend to the minister the suggestions I have made and I hope she will sink her teeth into them.

**Mr. Cowan:** Mr. Chairman, in speaking to these estimates of the Department of National Health and Welfare I should like to congratulate the hon. member for Springfield upon the constructive suggestions he has made. It was an interesting speech and I am sure it will be of benefit to the country as a whole. In the course of his remarks he made a comment to the same effect as one which the hon. member for Grenville-Dundas had made previously, namely that the expenditures under the heading of health and welfare were mounting so rapidly as to be worthy of careful scrutiny.

I wish to comment on this very theme, because the cost of health and welfare in this country is rising at such a rate as to place many of the provincial prepaid hospital schemes and medical plans in serious jeopardy. The cost of hospital care is rising like a meteor in the sky. In the estimates themselves it will be seen on page 264 that the statutory payments for hospital services, including assistance to the provinces under those agreements, in the current year ending March 31, 1964, have increased by $60 million from $325 million to $385 million. That is an increase of almost 20 per cent in one year.

When the prepaid hospital plan was first introduced it was announced in no uncertain terms that this was to be a three way partnership. We were told, and many of us believed it for some years, that it was to be a three way partnership between the provinces, the individual premium payers and the federal government. We were told that this partnership would work in harness like a troika, or three abreast. After a few years of interesting work in the field of health, I find the troika is still in harness but that it is operating as a tandem now, with the provincial department of health in the lead, the premium payer in the centre and the federal department of health and welfare bringing up the rear. The second and third partners in the team have to take the pace from the leader.

I am certain that many of the expenditures being made today by the provinces under the heading of health with the co-operation of the federal government could have a lot of the fat trimmed from them, and I should like to make two or three suggestions which I believe are worthy of consideration. Indeed, consideration must be given to them, since costs are mounting day by day. First of all, let me say I found it a pleasure to stand shoulder to shoulder with the Minister of National Health and Welfare in her work. She has her heart in her department and she gives it the closest of attention. She took part in the provincial election campaign in Ontario eight weeks ago, and I was happy to stand with her at that time on the questions of the day. The committee may recall that the hon. lady emphasized the fact that the Canada pension plan could be introduced without funding. That is a straight statement of fact: It can be done. It would not require funding because the government, having the power to tax, is in a position to keep the plan in operation without its being funded. But I draw attention to the situation in the province of Ontario, a situation which, no doubt, is being duplicated in the other nine provinces. It was only in January, 1960, that the hospitals of Ontario instituted a pension plan for their employees. Previously, individual hospitals had not been able to offer a pension plan because they could not afford its cost. Those who held employment in hospitals either had to look forward to working until they died or had to hope that the small insurance policy they were paying for 100 per cent themselves would carry them in their old age.

But on January 1, 1960, a pension plan was instituted among the hospitals of Ontario under the Ontario hospital services commission. There is an interesting thing to be found in the first two annual reports of the hospitals of Ontario pension plan. There have only been two annual reports so far. The first report covered a period of 18 months from January 1, 1960 to June 30, 1961 and the

second report covered the period of a year from July 1, 1961 to June 30, 1962.

The interesting thing about the reports is the fact that when the pension plan was introduced on January 1, 1960 a large number of employees of Ontario hospitals went on pension immediately, although there was no funding of the pension plan at that time. They had completed the necessary years of service and had attained such an age that they were eligible for pension. But in the second report for the year ended June 30, 1962, an amazing statement is made by the auditing firm that audits the pension plan. It is pointed out in the second annual report that the hospitals of Ontario are paying into the pension plan the astounding sum of $3,400,683 a year.

In an editorial last Friday with reference to the need for more nurses the Ottawa *Citizen* makes the statement that when the Ontario government introduced its hospital insurance plan it acquired a vested interest in the province's hospitals. That, of course, is a straight statement of fact. The hospitals have no individual autonomy today under the Ontario hospital services commission. As a hospital man from Port Arthur stated, individual hospitals are free to do anything they are told. I mention this so that hon. members will understand how much the government, through the department of health, dominates the work of the hospitals in the province.

When the hospitals of Ontario are paying $3,400,000 per year into the pension plan compared with a contribution by the employees of $2,255,000, then I put my finger on what I can only describe as an unnecessary expense. The pension plan of the hospitals is the responsibility of the Ontario government. The Ontario government through its department of health should collect from its hospital employees but it should not be paying $3,400,000 a year into that pension plan.

In a paragraph in the second report it is interesting to find a statement by the pension committee of the hospitals of Ontario pension plan, which committee, of course, is being advised by insurance executives and insurance agents. With respect to the year ended June 30, 1962, they say:

> Past service costs of the plan were amortized over a 30 year period and this unfunded amount will require annual payments of $539,785 over the remaining 28 years.

There is no requirement whatsoever that this pension plan be funded. It is a government responsibility, and to state that we must have a funded pension plan when the government is behind it is ridiculous. If the government should go bankrupt, all pension plans in the provinces would fall by the wayside, and this extra expense is absolutely unjustified. That sum of over half a million dollars a year for the next 28 years will amount to $15,113,980, and bear in mind that the federal government is paying approximately one third of the cost of this more than half a million dollars into a fund that is not required at all.

I also hold in my hand the annual statement issued by the hospitals of Ontario pensions plan to a hospital employee of some years standing. It is interesting to note that on the back it says:

> The hospitals—

That means the government.

> —pay the entire cost of past service pensions.

Under the Old Age Assistance Act, whose payments the public calls pensions but are properly described as old age assistance, there is no funded plan to make sure that the payments of $75 a month are made to the elderly, and if we have no great fund behind the old age assistance plan why do we have to go to the expense of building up a fund behind hospital pension plans throughout the Dominion of Canada?

I am very happy that the minister has brought in her estimates before the federal-provincial conference in two weeks time, because I do believe this is one subject that should be taken up with the provinces. It should be pointed out to them that some of the expenses should be carefully scrutinized, because some of them are unnecessary.

Another point to which I should like to refer has to do with a question I asked the government to advise how much money had been allocated year by year to hospitals throughout Canada by way of grants toward nursing. If hon. members will look at page 263 of the printed estimates they will find midway down the page a reference to the fact that the federal government pays $750 per bed for living quarters for nurses. I would point out that nursing is the only profession, the only career, the only form of employment in which the candidate for education has to be given residence accommodation. If a girl wishes to be a lawyer she has to look after her own residence accommodation. If a girl wishes to be an architect she has to look after her own residence accommodation. If she wants to be a veterinarian she looks after her own residence accommodation. If she wants to be an artist she looks after her own residence accommodation. But if she wants to be a nurse the provinces go into a tizzy and build palatial residences at a cost to the taxpayers that in my estimation is unnecessary.

**Mr. Douglas:** The hon. member is forgetting that while the nurse is taking her training

she also works about eight hours a day for nothing, or possibly $6 or $8 a month.

**Mr. Cowan:** Mr. Chairman, that is a point I intended to mention this afternoon in discussing the resolution respecting technical and vocational training assistance and which I intend to refer to on Monday when the bill comes before the house. I believe that girls who decide to train as nurses should be paid by the hour for the work they do, and with the money in their purses they can then look after their own accommodation. I do not believe that in the year 1963 we should have indentured labour being paid on the basis of board, lodging and uniforms.

**Mr. Douglas:** Your hospital costs would really go up then.

**Mr. Cowan:** I was referring to the cost of residences for nurses. We have this great Department of National Health and Welfare, and I believe it was the hon. member for Grenville-Dundas who mentioned that it is the second largest spending department of the government. When one considers some of the demands that people make on it, he wonders how long it will be before the department becomes the largest spending department of the government unless there is careful scrutiny of the requests that are made.

I presume that in no place in all of Canada is there more uproar today over the shortage of hospital beds than in my own city of Toronto which now has a demand before the federal government for millions of dollars for necessary hospital construction. To my mind, to spend millions of dollars at this time on a calculated shortage of 2,360 hospital beds in Toronto when we have been having annual deficits nationally of between $500 million and $700 million a year would be ridiculous. At the present time there are in the city of Toronto 1,791 beds for student nurses scattered among 23 hospitals in the city. I can see no reason why the bed accommodation in these residences for nurses, who are young and most active and vigorous, should not be made available for hospital bed accommodation to meet the shortage of hospital beds in the area at this time. There is a calculated shortage of 2,360 beds, with 1,791 beds being used by active young nurses in training. These figures would indicate that the nurses are getting better treatment than the patients who are sick, injured and dying because we are told that hospitals are refusing entrance to patients since the hospitals claim there are no beds. The administration of the expenditures under the co-operative scheme between the provinces and the federal government, could certainly stand close scrutiny for the benefit of the taxpayers of the Dominion of Canada.

There is another angle to which I should like to draw the attention of the committee and the Department of National Health and Welfare, and that is connected with nursing education. Many hospitals operate schools of nursing. Why is this so? It is the only field of education that does not fall under the departments of education of the ten provinces. If doctors can be educated under the direction of the department of education, if dentists can be educated under the direction of the department of education, why cannot nurses be educated under the direction of the department of education? There is an expenditure involved in educating nurses. Most hospitals will tell you that there is a cost to them for educating student nurses, even when consideration is given to the services that they perform now for penurious remuneration. But if the education of nurses were to be placed under the department of education in all ten provinces, where it properly belongs, then the cost to the departments of health in the ten provinces would be reduced and the money that the federal department of health allocates to hospital work would not need to be squandered on nursing education under the guise of health grants. These payments could be diverted 100 per cent to health services.

The interesting feature here is the fact that only last Sunday the largest hospital in my riding, Humber Memorial Hospital, Weston, held open house for its new addition. It now has approximately 360 beds, and opened up four extra floors last Sunday with about 500 people going through the corridors examining this greatly improved institution. The hospital authorities gave the visitors small booklets describing the work of the hospital. One of the paragraphs in the booklet points out that the hospital is going to build a school for nurses, which will be the first school for nurses in Ontario not requiring residential accommodation. This morning I spoke to an unimpeachable source at Queen's Park, Toronto, by telephone and asked if the requirement that a hospital desiring to operate a school of nursing must have residential accommodation had been withdrawn. I was advised, no, the requirement has not yet been withdrawn from the hospital regulations of the province.

I was told, too, that Humber Memorial would not be the first to have a school for nurses without a residence because another hospital, which was not named, had made application to institute a system of training nurses without having hospital beds provided for them. This indicates that there are at least two hospitals in Ontario that realize it is not necessary to spend money on nurses' residences in order to educate nurses in our

province to the degree of registered nurse. I believe that if the federal authorities would state they were going to withdraw this grant of $750 per bed for living quarters for nursing students, they would establish a precedent that would be followed all across the Dominion of Canada. We would find the present residential accommodation turned into hospital beds for the sick, and the young girls who wished to be nurses would seek their own residential accommodation the same as other students do.

Now, I am talking about the fat that can be removed from these expenses.

**Mr. Alkenbrack:** I rise on a point of order, Mr. Chairman. A few minutes ago the hon. member for York-Humber made a statement about money being squandered on nursing education. I am sure that he really does not mean that. Could he please explain what he means by that statement?

Also, I should like to point out to him that the nursing profession is Canada's oldest profession. There is a plaque out in the hall honouring Jeanne Mance, a nurse, the first professional person to come to Canada in the seventeenth century, and I am sure the hon. member does not mean those words.

**The Deputy Chairman:** Order.

**Mr. Cowan:** Mr. Chairman, if I used the word "squandered", I should have said "expended". I regret if I did use that word and I thank the hon. member for drawing it to my attention.

**Mr. Alkenbrack:** A supplementary question, Mr. Chairman—

**The Deputy Chairman:** Order; I am sorry, but there could not be a supplementary question to a point of order.

**Mr. Cowan:** I have but one more point to make. When I first rose to make my remarks, I stated that I agreed 100 per cent with the hon. member for Springfield and the hon. member for Grenville-Dundas that there must be corners in which the expenditures made by the Department of National Health and Welfare could be reduced, if careful attention were paid to the money that is being spent. I should like to refer to one small matter, perhaps, but right now the hospitals in the province of Ontario are engaged in a study of insurance against malpractice suits. This insurance is taken out by all hospitals in order to protect them against any suits that may be instituted by patients, their relatives or friends, who may claim that the hospital technique was faulty and sue for malpractice. We have been investigating this question of malpractice insurance for the past 14 months, and within the next four or five months I am sure a very interesting statement will be made by the Ontario hospital association on that matter. Let us stop to consider the question of expense.

In the November issue of the *Canadian Doctor,* there is a long article in which the author points out that, in his opinion, hospitals should increase the amount of malpractice insurance they carry. This makes me wonder why the hospitals should pay the premiums for malpractice insurance. As it is now, the hospitals are paying the premiums but the hospitals do not perform the operation. The doctors are not the employees of the hospitals; they are individual practitioners. This is an expense that is saddled on the hospitals today, and this is something that could be investigated to the profit of the taxpayers of Canada.

I should like to say that I only make these suggestions because I believe there is fat in the estimates that could be cut out. As I said before, we are running in tandem, we are not running in troika. I sincerely hope the minister will bring up these matters at the provincial conference in two weeks time for the benefit of every Canadian taxpayer from coast to coast.

**Mr. Rynard:** First of all, Mr. Chairman, I should like to congratulate madam minister and her secretary upon the presentation of their first estimates in this house. I should like also to remind her that one of the first acts of the Conservatives that were elected in 1957, and then in 1958, was to double the grants for hospital beds. At that particular time the province of Ontario was making a grant of $2,000 per bed. Shortly after we made that advance the province of Ontario went to $3,000. I am sure, Mr. Chairman, the minister is well aware of the fact that just a short time ago the province increased that grant by another $1,000 per bed. I would say to madam minister it is high time the federal government again doubled its grant per bed to all the provinces. Other grants were made by the previous government for the building of interns' quarters, nurses residences and quarters for x-ray laboratory technicians, and personnel.

In this day of spiralling costs many municipalities cannot afford the same share of the cost of hospital building that they contributed previously. The only place they can raise their share of the money is through municipal taxation, and today education accounts for 50 per cent or more of the tax dollar. To reiterate, I ask madam minister to increase the grant per bed, double it as the previous government did, and lighten the burden on the municipalities.

The department the minister heads is the second highest spending department in the government. It spends somewhere between one fifth and one quarter of the federal budget, and it will not be too long until it is the highest spending department.

Perhaps when increasing the grant per bed the minister would also take a good look at the construction costs of building. I know this is the responsibility of the provinces, but these costs have gone up during the last few years from $10,000 per bed to $20,000 in some cases.

Are we building hospitals too costly and with a view to their permanence in a world that is changing so rapidly? I hope madam minister heard that question. New ideas, new architecture and new technologies are closing in on us like a rain storm. Will the modern building of today be completely outmoded tomorrow? Someone said that in some cases buildings are outdated before they are built, but I cannot entirely accept that contention, although it may be true in special cases. Should the life span of a hospital be planned for a minimum of 25 years instead of ad infinitum?

Costs of construction might be cut anywhere from 25 per cent to 50 per cent if a shorter life span were proposed. The money saved could then be spent on providing more beds and more hospitals or, if there are enough of these, it could be invested in securities that would yield money to replace a hospital when its 25 year life span is ended. Through investment it could provide from a half to three quarters of the cost of a new building.

I have been told over and over again that it is almost as cheap to tear down a building and erect a brand new one as it is to repair an old one and equip it with all the modern technology that has been involved since it was first built. This would give work to unemployed people in all fields and professions, and would also allow us to build many wings to hospitals that need them at present, or to build new ones.

In my opinion more beds must be provided for the chronically ill because, as the human span of life lengthens, we have more people ill. These beds must be provided through grants to municipalities, or else we must pay hospitalization to approved privately run homes. I know the Ontario hospital commission pays $5 a day to approved homes, but this of course only covers those approved for care. There may be some homes that do not come into this category.

I would like the minister to tell us when pensions will be raised for the blind and disabled. How many provinces have now agreed to such an increase, and how many have the machinery ready to give it? What provinces have not agreed?

I now want to refer to the tax on drugs, and since the Minister of Finance has come into the chamber perhaps he will listen to this. In my opinion the tax is one of the factors in the high cost of drugs. Recently I read a very factual report on this subject, the Ottawa report by Patrick Nicholson entitled "Tax on Drugs Real Factor in Costs" —Mr. Nicholson is a special correspondent to the Thomson newspapers, and this article appeared in the *Packet and Times* of Orillia:

> The largest controllable factor in the make-up of drug prices today consists of government taxes, which now add up to more than double the total net profit made by the industry...
>
> Based on the latest year analysed, the drug industry in Canada is operating at a net profit level of 5½ per cent of sales. Unlike the building industry, its raw materials often cost only a small fraction of the selling price of the finished product.
>
> But a significant slice of the selling price pays for processing, research and scientific costs. Brilliant and highly-paid doctors and scientists labour in drug laboratories to create, test and perfect the drugs which will save thousands of lives and put an end to untold physical suffering...
>
> But this expenditure on research and development is not extravagant because we cannot put a dollar price tag on the life which might be saved by any one of these experiments.
>
> The ethical drug industry is operating on a net profit margin of about 5½ per cent. This figure convincingly squashes any suggestion that drug manufacturers make excessive profits. In fact it is the federal government which, by levying a luxury sales tax on prescribed drugs, profiteers from sickness. Canada is the only country in the world suffering such a tax.

In conclusion, Mr. Chairman, I would like to know if madam minister has made any progress in the fight against cancer of the lung. I am willing to admit that she has set a good example herself. But I would like to know what she has come up with in the way of prevention, because speaking the other day in Buffalo, near her own home city, one of the doctors who carry on cancer research stated that between 2,500 and 3,000 people would die of lung cancer this year in Canada largely caused by cigarettes, and many would die of coronary disease, vascular disease, bronchitis, and other diseases, in which cigarettes played a part, which is more than are killed in highway accidents. I would like to ask the minister what has been done in this connection and what has been started in the meantime, so that she may save some of these people from an untimely end.

**Mr. Orlikow:** Mr. Chairman, in these estimates the government proposes to spend almost $500 million for the health needs of the people of Canada. The major part of this amount of money is to be spent—and we in this group certainly have no objection to this —in the provision of grants to the provinces

toward the hospital plans which have been enacted. Yet one would have to look at the estimates with a microscope to find the amount of money spent by the federal government in the field of mental health. This is, to say the least, an amazing fact when we realize that half the hospital beds in Canada are now occupied by people who are mentally or emotionally ill. More than 70,000 people are receiving treatment in Canadian hospitals for mental or emotional illnesses. Twenty five thousand new cases are admitted every year.

This government has failed to realize that one in every 16 Canadians born today will spend part of his or her life in a mental hospital. The government seems to have failed to realize that people in mental hospitals are not stupid; they are not defective; they have received the same education as the rest of us and until they became ill they were able to work and support themselves and their families. Of course, the minister will deny that the government has a defeatist attitude in this regard, but one has only to look at the expenditure for hospitals to realize this is a fact. We are today spending over $23 a day to keep a person in a general hospital, while we are spending $5.90 a day to keep a person in a mental hospital. Why this disparity? I suggest the main reason for this disparity is the decision of the former Liberal government when it instituted the hospital plan, continued by the Conservative government, and decided to keep mental hospitals out of that plan. The result is that we are spending this very small amount of money in mental hospitals.

What does this mean to the patient? I want to read a very few paragraphs from a report which appeared in the Winnipeg *Tribune* of May 28, 1960. This report is over three years old, but not much has happened in the province of Manitoba in the field of mental health since then. Indeed, not much has happened in any other province since then. I would remind members of the committee that the Winnipeg *Tribune* is a Conservative newspaper. It was describing the program in the province of Manitoba under a Conservative government. I did not think it intended to exaggerate; in fact I am certain it did not exaggerate. Yet what do they say:

> Rigorous austerity, idleness and lack of rehabilitation facilities highlight the tragic conditions endured by some 3,000 mental patients in Manitoba.
>
> These men and women of a forgotten cause are crowding the wards of six mental hospitals in this province—and get less recognition than criminals in the penitentiary.

Lord knows, that is bad enough. Then they say:

[Mr. Orlikow.]

> Unwanted and unknown, they wait in apathy for recognition that will bring their standard of treatment and accommodation at least level with those existing in federal prisons.

Further, they say:

> Patients who could be rehabilitated if given proper treatment remain on in their drab wards indefinitely and usually develop a second mental disturbance called "desocialization and degradation", a man-made condition resulting from loss of hope.
>
> Of Manitoba's six mental hospitals, two are overcrowded, three are full and have waiting lists and only one operates with a slim margin of empty beds.

The article continues:

> Brandon mental hospital has a total of 1,622 patients and a bed capacity for 1,317.
>
> This hospital has a staff of two certified psychiatrists and one psychiatrist who is about to receive certification. It has no trained social workers and no rehabilitation facilities.
>
> Selkirk mental hospital has been forced to stretch its facilities to the limit. It has a capacity for 1,005 patients and houses 1,245. It is also seriously handicapped by shortage of staff, old buildings, overcrowding and no adequate rehabilitation program.
>
> It has a staff of three certified psychiatrists and one experienced psychiatrist. Like Brandon, it has no trained social workers.

It is no wonder that the people who become mentally ill and who are forced, because there are no better facilities, to enter one of the provincial mental hospitals, stay there for months and years longer than they ought, when you compare the program of activities and the rate of recovery in the provincial mental hospitals with the rate of recovery in the psychiatric wards, small as they are, in the general hospitals. There is a fantastic difference in this respect. But this is not surprising when you realize that the psychiatric wings in the general hospitals, which consist of 50, 60 or 20 beds, usually have as many as or more psychiatrists at work than there are in the provincial mental hospitals. This is not criticism of the provincial mental hospitals. In every province they have increased their expenditures in this regard at a great rate; but they are meeting the same kind of cost problems in this as in other fields. They have said, in fact that there is nothing more they can do at this time.

Tremendous progress has been made in this field. The vast majority of patients can get well. But they will not get well, or they certainly will not get well as quickly as they could, if we do not do more than we have done up to this time. The first step we ought to take is include mental hospital costs in the payment of hospital grants by the federal government, or at least the same share of mental hospital costs as we now pay in regard to other hospital services. I suggest that we will not meet the costs and problems of mental illness by building more hospital beds,

because that is what we have been doing essentially. We are not going to meet this problem until we are prepared to take the lead in getting more people, more psychiatrists, more psychologists, more psychiatric nurses and more of the other technical facilities and people needed to work in this field. We will not do that until the federal government is prepared to take the lead, in co-operation with the provinces, in extending the program of training psychiatrists.

The Canadian psychiatric association in its brief to the royal commission on health estimated that we need to double in the next ten years the number of psychiatrists we are training in our training institutions. In Canada in 1961 we had one psychiatrist for every 30,000 people, while in the United States they had in the same year one psychiatrist for every 14,000 people. In Soviet Russia they had one psychiatrist for every 12,000 people, and in Great Britain they had one psychiatrist for every 20,000 people. To reach by 1970 a ratio of one psychiatrist for every 15,000 people, which would still be less than these other countries had in 1961, we would have to double the number of specialists in psychiatry. The cost of training this number of psychiatrists has been estimated by the Canadian psychiatric association to be $4 million a year. To attain this end, of course, we will have to do more than just provide training grants; we will have to provide a much larger number of teachers at the university level and in the hospitals. The Canadian psychiatric association has estimated that this will cost $1 million a year for university training purposes. Similar expansion is needed in the field of clinical psychologists and psychiatric social workers, occupational therapists, and so on, and this only the federal government can do. I suggest that if the basic problem of mental illness is not tackled, costs will rise to an astronomical level and tens of millions of dollars in the coming year will be spent merely to keep people in hospital. These are people who could be out of hospital if we did the job which needs to be done.

One of our biggest lacks in recent years is in the field of research on mental illness. In 1961 the United States government spent $48 million on mental health research. In the same year in Canada we spent on a per capita basis 16 per cent of that spent by the United States. Last year we spent just over $700,000. It seems to me the height of foolishness to spend this piddling amount to deal with what is the greatest unsolved medical problem in the country. Yet the medical profession over the years has recommended that we get down to the problem.

In 1957 the former Conservative government appointed a committee to review the question of support for medical research by the government of Canada. This committee made a report which was tabled on November 12, 1959. I will not deal with it in detail but I should like to read some of the conclusions reached by this expert committee. The minister will find this on page 32 of the report:

> The present level of support falls far short of requirements. The most obvious inadequacies are as follows:—
>
> (a) Grants: Many important projects are not supported because of lack of funds and others are restricted to only a fraction of their full development.
>
> (b) Fellowships: Present stipends of research fellowships are too low. More fellowships are required.
>
> (c) Scientific personnel: The Canadian medical schools lack the funds to employ an adequate research staff.
>
> (d) Fluid research funds: There is a need for fluid research funds in the medical schools, to be administered by the deans.
>
> (e) Research facilities: Research space is inadequate in all medical schools; in many cases this is the most serious restriction on research development.

This report dealt with the conduct of more medical research, but the lack of research facilities is particularly noticeable in the field of mental health. Yesterday the Governor General opened a new research centre in the field of mental health in the city of Montreal. This is a tremendous institute and it was a great day for the Dominion of Canada. But I point out to hon. members that this is the only research institute in the field of mental health of its kind in the country. If we are to get the people to work in this field and begin to attack the problem at its roots, then we will have to do much more than we have.

Mention has been made of the cost of mental health to the people of the country. The direct cost has been estimated by the Canadian psychiatric association for the year 1960 at $239 million: $149 million has been spent by the provincial governments in their mental institutions; $10.5 million by the federal government in grants in aid to the Department of Veterans Affairs and other departments, such as justice; $14 million in psychiatric beds in general hospitals; $2.5 roughly in psychiatric beds in private hospitals; and $63 million in medical care paid to medical practitioners and for medication. But the Canadian psychiatric association has calculated that the indirect cost of mental illness in 1960 was $626 million: $100 million for the loss of average manpower earnings by resident patients in hospitals, and $526 million for the loss of earnings of patients in industry due to mental illness and emotional disturbance. So, Mr. Chairman, we can see what a tremendous and fantastic problem we have to face. I should like to think that in the next ten years the federal government will do ten times as much as it has in the last ten, because even with

that amount of money we would only begin to touch the fringes of the problem.

Comment has been made about spending too much money. We are spending a great deal of money every day and every week in the field of health and welfare, but no money could be better spent because we are losing fantastic amounts of money in private treatment, and by people who can ill afford it, because the governments of Canada, both federal and provincial, have not really faced up to their responsibility.

In my constituency a few years ago, before the institution of a national hospital plan, one man was in the position where his wife was ill and he was advised to send her to another province for the particular kind of assistance she required. The cost of keeping her in hospital ran to some $200 a week and she was in hospital for four months. When this man added the cost of the medical bill of the doctor, which was not exorbitant if one thinks in terms of his experience and training, the only way he was able to meet the cost of this particular case of mental illness in his family was to sell the one asset he had, his house.

Another constituent of mine whose wife was ill was a member of the Manitoba medical services, which the doctors of Manitoba, and I think rightly, feel is the best plan of its kind in the Dominion of Canada. Unfortunately, the group to which he belonged was disbanded because it was too small. He was therefore not eligible, because of the decision of the Manitoba medical services, to join as an individual member, so he had to meet the cost himself. His wife was going to a psychiatrist once a week and paying a fair fee, from the point of view of the psychiatrist, of $15 for a one-hour visit. This meant that this man was paying $60 to $70 a month to enable his wife to see the psychiatrist. He had three children in the family and the normal cost of medical service for those three children ran in the neighbourhood of $10 to $15 a month; so you can see from that, Mr. Chairman, that his medical bill ran to around $1,000 a year.

Very few of us can afford that kind of bill. I am not being critical of the doctors; I am simply pointing out the kind of expenses people are forced to pay in the field of mental illness simply because we have not devised a plan which will meet their needs. People plagued with mental illness are able to offset their medical costs by deducting them from their income tax, and this is a step in the right direction. But we have made no provision for a situation where a husband has to hire a housekeeper as the only means of keeping his home going. So the cost of mental illness in Canada amounts to an astronomic figure. This would be largely unnecessary if Canada were to establish a system of the kind which has been established in some other countries and in certain states of the United States. I disagree completely with hon. members who have said tonight that hospital costs could be reduced. Hospital costs will have to be substantially increased if the federal government is to accept its full share of responsibility and include the same percentage of grants to provinces in respect of mental hospitals as they do now with respect to general hospitals.

I hope the minister will come to the house next year with proposals which will help improve the position of people who are suffering greatly in this field.

[*Translation*]

**Mr. Chretien:** Mr. Chairman, first I want to congratulate the Minister of National Health and Welfare (Miss LaMarsh) who was piloting her department's estimates in the house for the first time. I am convinced that she will administer that department well, her love for work and her devotion to duty being well known.

Since there is very little time left, I would like to point out a few facts.

I am happy to note that a very important correction has been made with regard to the province of Quebec in the estimates for the current fiscal year. At page 263 of the estimates, I find that in the field of grants for the building of hospitals, Quebec will get 23 per cent of the total amount this year, compared with 18 per cent in 1962, which means that if there was an injustice in 1962, a timely correction is brought at this time.

Second, I want to point out that the Department of National Health and Welfare is a very important one and the party to which I belong, has always been interested in the activities of that department.

During this session, we have made some improvements within that department. I wish to point out here that we have followed our program and even though some are accusing us of not having implemented it in full, we have already carried out part of it. We have increased by $10 a month, the old age pensions.

In my opinion, it is reasonable to assume that we cannot implement, in one session only, the whole program which we have laid down for the administration of our country, for a period of four years. We intend to carry out the program we outlined to the electorate. We will implement it because we will be in power long enough to do so.

I take this opportunity to ask the minister to give special consideration to the program of allowances for young people of 16 to 18 years of age.

In my opinion, it is increasingly important to introduce such legislation because more and more parents provide an education for their children.

We must help families give a proper education to their children. This piece of social legislation should be introduced as soon as possible to promote education in all the provinces.

I should also like to say a word about amateur sport. I notice that this comes under the minister and that some items of our platform deal with that topic.

I feel that physical education is unsatisfactory at present in Canada. We should have a better physical education program so that our young people would be physically fit for the tasks they will have to face in life.

I submit that the minister should attach particular importance to amateur sport. Although we often spend millions of dollars in other departments, to increase the prestige of our country, we unfortunately find that all amateur sport bodies, at the present time, complain they do not receive enough assistance to develop athletes able to adequately represent our country in the various international competitions. I think a healthy national pride is involved and I consider that the minister should give this point a very special attention.

Frequent reference was made to research during the few contributions to the debates of the house today. I submit to the Minister of National Health and Welfare that research is a very important field since, at the present time, solutions to certain diseases which are constantly spreading should be found. And I believe that should we improve the research situation in that field in granting more credits to research, we could thereby cut down the sums we are presently appropriating for hospitals. I feel that the present department should conduct more thorough studies in that respect.

I would also like to touch on another very important point, which is of tremendous interest to the members of the province of Quebec. It is the pension plan that was submitted to the house and was deferred until a later session. It is essential for the country to establish a pension plan equally favourable to everyone. We must take into account, however, the present requirements in the country. On the other hand, we know that under the British North America Act, social security comes under the exclusive jurisdiction of the provinces. But through some amendments, it was possible at a certain time to allow the federal government to intervene in that field. I am convinced that the present government acted very wisely in establishing this plan, thus showing to the house that we really intend to carry out our program.

While negotiating with the provinces, we have realized that certain difficulties had arisen, but I am convinced that through negotiations and discussions, we will find an acceptable solution, so that each worker in our country may take advantage of a satisfactory pension plan.

Mr. Chairman, it is now ten thirty.

[*Text*]

Item stands.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Monteith:** I wonder whether the leader of the house could outline the business for tomorrow, and maybe, for the first part of next week.

**Mr. Pickersgill:** I should like to give as complete a picture as possible. I hope there is—and I am inclined to think that there is likely to be—an understanding that, by unanimous consent, on motions tomorrow I would move a motion, for the drafting of which I am indebted to the hon. member for Peace River, which would have the effect of bringing the subjects related to the two bills on the territories before the mines, forests and waters committee next week. I understand this might be agreed to without debate and the two bills would be left on the order paper for consideration after the committee's deliberations have been concluded. I have discussed this with the Minister of Northern Affairs and National Resources, who is agreeable to having this course taken if there is an understanding that it could be done as a most exceptional and unusual arrangement, really in exception to all rules and only by unanimous consent and only if everyone is genuinely agreed that this is the right way to make progress and that we will do it without debate. It is an exceptional course, but I think everyone feels we have got into a situation that we want to find a way out of. I am not asking for unanimous consent now. I will ask for it tomorrow on motions and if I do not get it we will not be able to do it, of course. I thought it only fair to give notice of it. I have talked to hon. members of all parties and groups opposite but I thought I ought to let everybody know.

When we reach orders of the day tomorrow we will go on from where we left off with the vocational training resolution, which I gather we have practically disposed of. If we can get first reading of that bill we will then

take the bill itself as the first item of business on Monday. If we dispose of this matter the next item tomorrow will be the motion to set up the special railway committee, to be followed by the resolution, No. 14 on today's order paper, regarding the Currency, Mint and Exchange Fund Act. We would hope to dispose of the resolution stage and first reading of the bill. I believe the hon. member for Kingston has had some conversations with hon. gentlemen opposite and there is an understanding that rapid progress could be made with that bill. We would hope it would also be available for Monday after the vocational training bill has been disposed of.

There are some other resolutions we would like to get on with if we could. It will be a long day. These resolutions, of course, are just preceding bills and it is generally better to debate the bills when we at least know what we are talking about. There is No. 15 on today's order paper, the resolution respecting the National Centennial Act which we would like to get through if we could, so that we could have that bill available for the beginning of next week. Then there is a very small matter, No. 19 on today's order paper, an amendment to the Admiralty Act which the parliamentary secretary to the Minister of Justice is prepared to take tomorrow.

Then there are a number of resolutions standing in the name of the Minister of Transport, order No. 16, regarding grade crossings, order No. 17, regarding the St. Lawrence seaway authority and order No. 20 regarding the Canadian Overseas Telecommunication Corporation. We would be glad to take any of these we could tomorrow. I may say that these items would not be called on Monday because the Minister of Transport will not be available, but we would hope to have any of them that are not disposed of tomorrow available again on Tuesday.

On Monday, in addition to the vocational training bill and, I hope, the currency, mint and exchange fund bill and any of these other measures that have advanced sufficiently to be dealt with, if we should run out of business by any chance I believe the Minister of Justice is prepared to have his parliamentary secretary proceed with the amendments to the Bankruptcy Act. Quite frankly, I am not quite optimistic enough to think that it will be reached, but I do not believe any of these matters I have mentioned are contentious at all and it would be quite a display of businesslike activity if we could dispose of all of them. I can assure hon. members that if that should happen before Monday evening there are one or two items on the order paper that could be called to keep the house busy until ten o'clock. The same program would be carried on on Tuesday for all items that have not been finished.

**Mr. Monteith:** May I ask about the estimates for tomorrow evening?

**Mr. Pickersgill:** As I announced last night, we hope to open the Department of Mines and Technical Surveys and the government would be very happy if it could be concluded. The Minister of Northern Affairs and National Resources will be available to conclude his department as well.

It being twenty two minutes before eleven o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Friday, November 15, 1963**

The house met at 11 a.m.

## BUSINESS OF THE HOUSE

REFERENCE TO COMMITTEE OF SUBJECT MATTER OF BILLS C-83 AND C-84

**Hon. J. W. Pickersgill (Secretary of State):** In accordance with the notice I gave last evening I am now prepared, if there is unanimous consent in the house, to make the motion to which I then referred. Perhaps it would be of convenience to hon. members in these circumstances if I were to indicate the motion I am prepared to make. It is the motion drafted by the hon. member for Peace River, and is in the following terms:

That the subjects dealt with in Bills C-83 and C-84 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.

If, Mr. Speaker, you could ascertain whether there would be unanimous consent to having this motion made and dealt with in summary fashion, as I indicated last night, I would be happy to proceed.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** As far as the official opposition is concerned, having suggested this course we are naturally in agreement with it.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, on the assumption that there will be no debate, for it would amount only to duplication, we are prepared to agree with the course proposed.

**Mr. R. N. Thompson (Red Deer):** We agree to follow the same course.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** That is agreeable, Mr. Speaker.

[*Text*]

**Mr. Pickersgill:** I thank hon. gentlemen opposite for their co-operation and in these circumstances I move the motion, seconded by my colleague the Minister of Northern Affairs and National Resources.

Motion agreed to.

## EXTERNAL AFFAIRS

ATOMIC ENERGY—ANNOUNCEMENT OF AGREEMENTS WITH INDIA

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I should like to inform the house that yesterday representatives of the governments of India and Canada concluded and initialed in Ottawa two agreements in the atomic energy field of far reaching significance to both countries. An announcement along this line is being made in New Delhi today. These agreements will be formally signed in New Delhi shortly, and I shall table them at that time.

One of these agreements provides for extensive technical co-operation between the atomic energy authorities of the two countries. Valuable information already developed as a result of Canada's special experience in heavy water power reactor systems will be transferred to the government of India for full commercial use in India. This information, which has been valued by the government of India at $5 million, is to be supplied without cost to India and without deduction from Colombo plan or other assistance.

Under the other agreement between the two governments Canada and India will co-operate in the construction of a nuclear power station of the Candu type with a net electrical output of 200 megawatts to be located in Rajasthan state in India. The government of Canada will provide credit facilities for the purchase of services, material and equipment supplied from Canada, which are estimated to cost approximately $35 million out of a total cost of about $70 million.

Half of the initial charge of uranium fuel for this reactor will be procured from Canada. At current prices this half supply would be worth approximately $2.1 million. Canada will also supply such additional fuel for the station as may be required by India from time to time, provided that Canadian fuel is not more expensive than any other foreign fuel.

Canada and India have agreed to exchange information regarding the operation of this station and its counterpart, the Douglas Point nuclear generating station now under construction in Canada. They have also agreed that the two stations shall be used only for peaceful purposes, and the agreement includes appropriate provisions to this end.

The two agreements reflect the long-standing co-operation between Canada and India in the peaceful uses of atomic energy and will further strengthen the close and friendly relations between the two countries.

## MUNICIPAL DEVELOPMENT AND LOAN BOARD

TABLING OF RETURN RESPECTING CORRESPONDENCE WITH PROVINCES

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I wonder whether I might be permitted to table the return to an address of the House of Commons dated June 26, 1963. Normally these are just tabled, but I do this so the hon. member for Brome-Missisquoi will be aware that the governments of Manitoba and Saskatchewan have agreed to comply with the request for this information.

**Mr. Diefenbaker:** It is also pretty late, as usual.

**Mr. Pickersgill:** We just got permission from the premier of Manitoba yesterday.

**Mr. Diefenbaker:** When did you ask for it?

**Mr. Starr:** The day before yesterday.

[*Later:*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I am referring to the answer given a few moments ago by the Secretary of State. When did the minister ask the provinces concerned for permission to table the correspondence?

**Mr. Pickersgill:** I am afraid the matter was not one which came under my jurisdiction but under that of another minister.

**Mr. Pigeon:** Which date?

**Mr. Pickersgill:** I have not the date, but I will be very glad to get it for the hon. gentleman from the minister concerned.

**Mr. Pigeon:** You do not know the date?

**Mr. Pickersgill:** No, I do not know the date.

**Mr. Pigeon:** I am surprised at the hon. gentleman's statement that he does not know the date.

**Mr. Pickersgill:** I do not know the date.

**Mr. Pigeon:** I think that was an irresponsible answer.

## ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REPORTED RECONSIDERATION OF CLOSING OF AIR BASE

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I should like to ask a question, and I assure the minister that it is not a loaded question. I should like to ask the Minister of Transport what is being done by the government to retrace its steps regarding the closing of the Penhold air base. Will he give the fullest reconsideration to this question, and when may the house expect a favourable answer in this regard?

**Hon. G. J. McIlraith (Minister of Transport):** Penhold is a Royal Canadian Air Force station, and any decision in respect of its closing, while a government decision, becomes the responsibility of the Department of National Defence. I regret, therefore, to have to tell the Leader of the Opposition, much as he may regret it, that his question will have to be directed to my colleague the Minister of National Defence.

**Mr. Diefenbaker:** I hope the answer is loaded with the truth. Will the Minister of National Defence give the answer?

**Hon. Paul Hellyer (Minister of National Defence):** I wonder, Mr. Speaker, if the hon. gentleman would mind repeating his question.

**Mr. Diefenbaker:** No, Mr. Speaker. This shows the degree of attention the defence minister gives to matters coming under his jurisdiction. I ask him what consideration is now being given to a change of attitude on the part of his department in respect of the Penhold station.

**Mr. Hellyer:** Mr. Speaker, no change of attitude; because with a 20 mile buffer zone between the air lanes and our airspace, it is impossible for us to do jet training in that area.

**Mr. Diefenbaker:** So the final decision is that the Penhold base will not be used; is that correct?

**Mr. Hellyer:** That decision was made some time ago, and there has been no reason to change it in the interim.

**Mr. Diefenbaker:** I should like to ask a supplementary question. Has not the Minister of Transport been giving the fullest consideration to this matter in the last few days, along with representatives from Red Deer, and did he not tell them the matter was being reconsidered?

**Mr. McIlraith:** In answer to that series of questions, I did meet with representatives from Red Deer and they did make certain representations regarding safety regulations as applied by the civil aviation authorities under the jurisdiction of the department. In the last two or three days they raised with me some new matters having to do with certain other airports. I undertook to have these regulations, and their application to those airports, mentioned by the delegation, examined thoroughly, and that is in process of being done now.

**Mr. Diefenbaker:** By whom; by your department?

**Mr. McIlraith:** By the civil aviation branch of the department.

**Mr. Eldon M. Woolliams (Bow River):** I should like to ask a supplementary question of the Minister of Transport. He said he left the decision to the minister of defence. Well, the minister of defence approved it to start with, and it was the Minister of Transport who vetoed it. I should like to ask him if that is not correct.

**Mr. McIlraith:** No, that is not correct, Mr. Speaker.

[*Later:*]

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, I have a question for the Minister of Transport. Would the minister inform the house whether the rigid enforcement of the new 20 mile buffer zone with respect to jet flying training schools threatens the status of the schools at Portage la Prairie and Moose Jaw.

**Mr. McIlraith:** Mr. Speaker, at the moment I do not think it does, but I am having this matter examined technically and very carefully.

## OLD AGE SECURITY

ACTION BY BRITISH COLUMBIA TO NULLIFY RECENT PENSION INCREASE

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to direct a question to the Minister of National Health and Welfare, and ask her if she is aware that at least in so far as British Columbia is concerned, the department of social welfare in that province is decreasing by $10 the amount of old age assistance payable to people in the province. The reason for this action, as set out in one of the forms to recipients of old age assistance, is that the old age security payment to the spouse was increased from $65 to $75 monthly.

Will the minister undertake to look into this niggardly, mean approach by that particular province, to assure that when parliament passes increases of this amount or any other amount for these pensioners, provincial government or other organizations do not take steps to reduce the payments and thus leave old age pensioners in substantially the same position as they were before?

*Inquiries of the Ministry*

## TRANS-CANADA AIR LINES

PURCHASE OF NEW PLANES—TELEGRAM FROM MAYOR OF ST. LAURENT

On the orders of the day:

[*Translation*]

**Mr. Guy Rouleau (Dollard):** Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Has the Prime Minister received a telegram from Mr. Marcel Laurin, mayor of the city of St. Laurent, asking that the government take the necessary steps to help Canadair so as to alleviate the unemployment which results from the lack of contracts at that plant?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Yes, Mr. Speaker, I received that telegram, and the subject matter of the telegram will be given consideration, as will other representations received on this matter.

[*Translation*]

**Mr. Georges Valade (St. Mary):** I should like to ask a supplementary question on that point, Mr. Speaker. Can the Prime Minister inform the house whether the government will consider the representations made to him concerning the DC-9 before T.C.A. reach a decision on that matter.

[*Text*]

**Mr. Pearson:** Mr. Speaker, we are examining that matter now before any decision is taken.

## LOTTERIES

EXTENSION TO PROVINCES OF RIGHT TO HOLD LOTTERIES

On the orders of the day:

**Mr. Barry Mather (New Westminster):** Mr. Speaker, I had a question which I wanted to ask the Minister of Justice, but possibly in his absence I may direct it to the Prime Minister. Is the government giving consideration, as reported in today's press, to extending to the provinces the legal right to conduct lotteries?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I think I will take that question as notice and discuss it with my colleague the Minister of Justice.

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF STUDENTS FROM KITCHENER, ONT.

On the orders of the day:

**Mr. O. W. Weichel (Waterloo North):** Mr. Speaker, I would like to direct a question to the Prime Minister. Is he aware we have as

guests in the end gallery 75 students and teachers from the Kitchener Eastwood collegiate, Waterloo North?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the hon. gentleman has already made me aware of that fact.

REQUEST FOR YEAR ROUND EMPLOYMENT OF MEMBERS' SECRETARIES

On the orders of the day:

[*Translation*]

**Mr. L. P. Antoine Belanger (Charlevoix):** Mr. Speaker, the question I am directing to the Secretary of State results from another question I asked in this house on October 22, 1963, and which appeared on page 3848 of *Hansard*. The Secretary of State said on that occasion:

> Mr. Speaker, I will have a look at the question when it appears in *Hansard* and see what I can say in reply.

Today the same question is being asked once again.

Is the Secretary of State in a position to inform the house whether the working conditions of members' secretaries will be improved, and whether changes are being considered so that they may remain the year round in the members' service?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, as one of the commissioners of internal economy I can tell the house that the question raised by the hon. member is under consideration by Your Honour and by the commissioners of internal economy, and we are seeking to find the solution which will be acceptable to the house.

## NATIONAL REVENUE

EATON-KAYE ESTATE—CONSULTATIONS WITH U.S. OFFICIALS

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I have a question for the Minister of National Revenue. Does the minister intend to eliminate the possibility of double taxation in the Eaton-Kaye estate by having his officials hold a conference with their opposite numbers in the United States?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I cannot accept the implication that there is a lack of consultation in this case. I can only say that there has been consultation between the two government departments concerned over many years.



## PENSIONS

BLIND AND DISABLED PAYMENTS—INTENTION OF GOVERNMENT RESPECTING INCREASE

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. It has to do with disabled and blind persons pensions, in view of the statement made on Tuesday, October 9, by the premier of Ontario in the legislature of that province, when he referred to these two areas of pensions and said:

> We are presently attempting to find out what their intention is—

That is the federal government's intention.

> —in regard to the other levels in order that we can make up our minds what we are going do.

Can the hon. lady tell us whether the federal government has made up its mind and reached a decision in respect to these pensions?

**Mr. Speaker:** The hon. member for Oxford.

**Mr. Starr:** I asked the hon. lady a question. Is she not going to reply?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, of course the federal government has made up its mind; but as I have explained a number of times—and explained again last night when my department's estimates were opened, and I am very sorry the hon. member did not see fit to come in to listen—this is a matter which is open for discussion. In only two weeks time there is going to be a conference between the provinces and the federal government, as hon. members know, and I am sure my hon. friend does not want to prejudice a free and open and co-operative discussion by asking questions at a time when any possibility of agreement might be frozen by inappropriate things said at this time.

**Mr. Starr:** Could the hon. lady explain what she meant by what she said?

**Mr. Knowles:** It was worthy of Paul Martin.

## EXTERNAL AFFAIRS

WEST GERMANY—CANADIAN ACTION RESPECTING WAR CLAIMS

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the right hon. Prime Minister. It is based on a report of meetings held in Bonn on September 25 and 26 this year between representatives of the government of West Germany and representatives of nazi victims' organizations from all over the free world.

My question is, in view of the fact that it is becoming obvious that the government of

West Germany is reluctant to meet the just claims arising from nazi persecution, would the Prime Minister inform the house what action the Canadian government is taking to support the claims of the Canadian citizens involved?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I received notice of my hon. friend's question just as I was coming into the chamber. Perhaps he will give me a day or two to look into the matter, and I hope to reply to his question next Monday or Tuesday.

## LABOUR RELATIONS

DISCUSSIONS WITH U.S. RESPECTING BOYCOTT OF CANADIAN SHIPS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he can give me a lucid answer to the question I asked of him the day before yesterday.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, my hon. friend's question was not too lucid.

## POST OFFICE DEPARTMENT

CONTRACTS FOR RURAL DELIVERY LET WITHOUT TENDERS

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct a question to the Postmaster General. Can he tell the house if under the present government contracts for rural mail delivery are awarded without public tenders being called?

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, under the present administration, everything is done according to the law.

**Mr. Pigeon:** Mr. Speaker, I wish to put a supplementary question to the Postmaster General. It concerns a statement made by the hon. member for Northumberland and reported in the Ottawa *Journal* last November 14—

[*Text*]

She said that the bids for rural postal routes, in particular, still operate under patronage.

[*Translation*]

I ask the minister whether he agrees with the hon. member for Northumberland?

**Mr. Denis:** Mr. Speaker, I have not read the statement referred to by the hon. member for Joliette-L'Assomption-Montcalm. But he, whose party was in office for five years, must be even better aware than I in regard to the procedure to be followed so far as contracts with or without tenders are concerned. I must assure the hon. member for Joliette-L'Assomption-Montcalm that everything which has been done to date under our administration has been done in compliance with the regulations and the law.

**Mr. Pigeon:** Your Honour—

[*Text*]

## FINANCE

TEN NATION STUDY OF INTERNATIONAL MONETARY SYSTEM

On the orders of the day:

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I should like to ask a question of the Minister of Finance. Is it a fact that ten countries, including Canada, have met to discuss a new international monetary unit?

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, the group of ten countries has undertaken a study of the functioning of the international monetary system. They have had one meeting and will be meeting again at the beginning of next year. All the main proposals for improving the international monetary system will come under review, including that of Mr. Bernstein, to which reference was made in an article in the New York *Times* yesterday.

**Mr. Gregoire:** A supplementary question, Mr. Speaker. Is there a relationship between these conferences and item No. 14 on the order paper?

**Mr. Gordon:** There is no relationship at all, Mr. Speaker.

**Mr. Gregoire:** I have another supplementary question. Are there the same purposes involved in these conferences of the ten countries to form a new international monetary unit that are involved in the measure set out in item No. 14 on the order paper?

**Mr. Gordon:** Mr. Speaker, when I said that the group of ten countries was undertaking a study of the international monetary system, I did not suggest they were proposing a new monetary unit. However, I did suggest that all proposals would be considered by this group, including that one. The resolution in connection with the Currency, Mint and Exchange Fund Act relates to another matter, and it will be explained fully as soon as the matter comes up for debate.

*Inquiries of the Ministry*

REPORTED REFUSAL TO ACCEPT CANADIAN DOLLAR IN U.S.

On the orders of the day:

[*Translation*]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, I should like to direct a question to the Minister of Finance.

In view of the fact that the Canadian dollar is considered as being among the ten strongest currencies in the world, how come a 10 per cent discount is charged on the New York market, while in the southern United States our Canadian dollar is not accepted at all, and the same holds true of the large American air lines, as reported by Mr. Laurent Lauzier, financial editor of *La Presse*?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, I have not seen the report in *La Presse,* but I can assure the hon. member that the Canadian dollar is good anywhere in the world and should be accepted everywhere.

REQUEST FOR INTEREST FREE LOANS TO CANADIANS

On the orders of the day:

[*Translation*]

**Mr. Henri Latulippe (Compton-Frontenac):** Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs.

We know that Canada is wealthy enough to lend money to other countries, without interest or at a nominal interest rate. Why could not the present government extend the same facilities to needy Canadians?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, this question should really be directed to the Minister of Finance, but I may assure the hon. member that the government takes to heart the interests of all Canadians.

[*Text*]

REFUSAL OF CANADIAN CURRENCY AT OVERSEAS MILITARY BASES

On the orders of the day:

**Mr. Georges Valade (St. Mary):** Mr. Speaker, my question is directed to the Minister of National Defence. I should like to ask the minister whether he is aware of the report that our Canadian defence committee has complained that they could not change Canadian dollars in the military bases in Europe during their tour; and if he is not aware of that report, would he inquire and make a statement in the near future?

[Mr. Gordon.]

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I had not heard that report, but it is well known that the medium of exchange used at bases overseas is United States currency, and I am surprised that hon. gentlemen were not apprised of that before they went over.

## CANADIAN BROADCASTING CORPORATION

REPORTED INTENTION TO INCREASE SALARIES OF SENIOR EXECUTIVES

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I should like to direct a question to the Secretary of State and ask him whether treasury board has as yet made any decision or recommendation regarding increases for the president, vice president and other high officers of the C.B.C.

**Hon. J. W. Pickersgill: (Secretary of State):** Mr. Speaker, I think the answer to that question must be no, and so far as I know the matter has never even been before treasury board.

## AGRICULTURE

FARM CREDIT CORPORATIONS—LAWYERS EMPLOYED IN JASPER-EDSON RIDING

On the orders of the day:

**Mr. H. M. Horner (Jasper-Edson):** Mr. Speaker, I should like to address a question to the Minister of Agriculture. Is the minister aware that just recently his department or that of his colleague the Minister of Justice removed all the solicitors from the Farm Credit Corporation in my riding? Is this the way he is going to increase the services of this corporation, by making my farmers drive over 100 miles in order to sign a paper?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I can assure the hon. gentleman that so far as the Farm Credit Corporation is concerned everything we do is in the interests of farmers, so that the loans are made on a proper basis and with dispatch.

**Mr. Horner (Jasper-Edson):** A supplementary question. Is the minister not also aware that all the lawyers in my riding were Liberals?

**An hon. Member:** Not now.

**Mr. Hays:** Mr. Speaker, they are very wise men.

**Mr. Peters:** A patronage-ridden government.

## PUBLICATIONS

COMPETITION WITH CANADIAN EDITIONS OF U.S. MAGAZINES

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** I should like to ask the Prime Minister a question. I should like to ask him whether to his knowledge there is any urgency to, or any marked depreciation in, the situation of Canadian publications vis-à-vis competition for advertising revenue from the so-called Canadian editions of United States publications?

**Right Hon. L. B. Pearson (Prime Minister):** This matter is under consideration, Mr. Speaker, and I should like to take the hon. gentleman's question as notice and see whether I can usefully add anything to what has been said in the house on this matter.

## INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO LOCATION

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, I have a question for the parliamentary secretary to the Prime Minister related to the question I posed to the right hon. Prime Minister yesterday in regard to a heavy water plant. To refresh the parliamentary secretary's memory I might mention a headline in the Halifax *Chronicle-Herald* stating that the heavy water plant rivals may have to bid again. It reports that in a so-called interview—

—Mr. Davis denied reports that Nova Scotia had been definitely selected as the site for the plant.

May I ask whether that is a correct statement?

**Mr. Jack Davis (Parliamentary Secretary to Prime Minister):** No, Mr. Speaker.

**Mr. Speaker:** A question like that should be addressed to the minister in charge or to the Prime Minister.

**Mr. Muir (Cape Breton North and Victoria):** Well Mr. Speaker, it is difficult to know which minister is in charge of what. This government of decisions has been playing around with this question for months.

## DOMINION-PROVINCIAL CONFERENCE

ATTENDANCE OF NORTHWEST TERRITORIES REPRESENTATIVE AS OBSERVER

On the orders of the day:

**Mr. Gene Rheaume (Northwest Territories):** Mr. Speaker, I should like to address a question to the Prime Minister. In view of the fact that the councillors of the Northwest Territories government will be in Ottawa next week at a special session, would the Prime Minister consider inviting a representative of that government to sit in as an observer at the federal-provincial conference which is to be held at that time?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I will give consideration to this matter, but I think the normal procedure is followed in federal-provincial conferences, and as it has proved successful in the past I think we should not depart from it without great consideration.

## INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

**Mr. Frank Howard (Skeena):** Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether he could give the house with more precision than he was able to give a month ago an indication when he will be introducing or placing on the order paper what I presume will be a resolution preceding the introduction of the bill to establish the Indian claims commission.

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** Mr. Speaker, about a month ago I said quite clearly that it would be before the end of this year, and I now say it will be some time around the beginning of December.

## ADMINISTRATION OF JUSTICE

HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** I hope my question will not prove as stormy as the last one. I should like to ask the illustrious parliamentary secretary to the Minister of Justice, in the absence of the Minister of Justice, whether he has an answer to the question I raised with regard to Banks being absent from the jurisdiction while on bail.

**Mr. Donald S. Macdonald (Parliamentary Secretary to the Minister of Justice):** I hope my answer will be equally lacking in stormy qualities. My present information is that the recognizance used in this case was in the form customarily employed in the province of Quebec, and that it contains no provision requiring the accused to remain in Canada. However, a special report has been requested from the prosecuting counsel, and if the position should be otherwise a full report will be made to the house.

**Mr. Woolliams:** May I ask the hon. gentleman this. Was the bail for Mr. Banks provided in the form of cash, or was it the usual recognizance of a surety by two other parties?

**Mr. Macdonald:** I cannot answer that question by giving full particulars. My understanding is that it was cash bail.

**Mr. Woolliams:** Then I rise on a question of privilege. I should like to deal with the answer given by the parliamentary secretary in reference to cash bail. With the greatest respect to the hon. gentleman, I submit that if it was a case of cash bail Mr. Banks had no right whatsoever to leave the country because, according to the principle of cash bail—

**Mr. Greene:** On a point of order—

**Mr. Speaker:** Order. I think I am able to take care of this, having had some experience in that particular province. The hon. member is proceeding to make an argument. What is his precise question of privilege?

**Mr. Woolliams:** It is briefly this, that the parliamentary secretary to the Minister of Justice, whose function is surely to enforce the laws of this country—

**Some hon. Members:** Oh.

**Mr. Woolliams:** If I am going to be interrupted I shall remain silent. My point is briefly this. The parliamentary secretary said that in view of the fact that the bail was cash there was no violation.

**Mr. Pickersgill:** He said nothing of the kind.

**Mr. Woolliams:** By the terms and conditions of any bail, the person receiving it becomes subject to the custody of the person who puts up the bail. What I am saying is this. Banks is in the custody of himself; and surely, being in the custody of himself, he had no right to leave this country.

**Mr. Speaker:** I do not think the question is difficult. Bail was granted by a judge in the local jurisdiction of the city and district of Montreal according to the law as it is applied there, and I think it is up to the judge to determine the rights of the parties concerned and the conditions under which bail is granted. If that is not correct, or if there is any doubt about this point, the parliamentary secretary has said he will secure a full report. I think the hon. member should await such a report and read it carefully before raising any further points. I frankly do not see any prima facie case of privilege at all.

**Mr. Woolliams:** With the greatest respect to you, sir, I am about to cite authorities to show that the parliamentary secretary has in my submission misstated the facts and misstated the law. Surely I have a right as a member of this house to speak on such a matter on a question of privilege, particularly since it involves the enforcement of the law, when the law has been misstated. These facts and the law should be placed on record.

**Mr. Macdonald:** I think it is patent that I have misstated no facts. As to whether there has been any misstatement on a question of law, I would point out that a debate or discussion on this question, or even the proferring of advice on a matter of law, would not be in order, and I did not purport to do so. I merely stated it is my present understanding that it is the procedure in Quebec not to require, when granting bail in ordinary cases, the particular provision in a recognizance to which I referred. If the situation should be otherwise I shall find out from the special prosecutor, but I earnestly protest that there has been no misstatement of fact.

**Mr. Speaker:** I must say I agree with the last statement, and I repeat that I do not see any question of privilege, though I admit the point raised is a most interesting one. I do not think it is at all in order for the hon. member to continue a legal argument as to whether the learned judge, seized with authority, rendered the right decision or not. This is not the place for an argument of that sort.

**Mr. Woolliams:** On a second question of privilege, the parliamentary secretary has said that if he is wrong in fact and in law he will have the situation investigated and make a clean breast of it—

**Mr. Speaker:** I have listened to the argument on both sides.

**Mr. Woolliams:** I have not been able to present my argument.

**Mr. Speaker:** I have listened carefully to the presentation made by the parliamentary secretary to the minister. While it was interesting, it did not particularly influence me. The point I have to decide is whether there is or is not a question of privilege, and I decide there is no question of privilege at this time on the facts as presented by the hon. member for Bow River.

## TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

### AMENDMENTS RESPECTING PAYMENTS TO PROVINCES, ETC.

The house resumed, from Thursday, November 14, consideration in committee of the following resolution—Mr. MacEachen—Mr. Lamoureux in the chair.

That it is expedient, as a means toward the further development of manpower in Canada and toward increasing employment opportunities for Canadians, to introduce a measure to amend the Technical and Vocational Training Assistance Act:

(a) to provide that in respect of the costs incurred by a province as training allowances for unemployed persons, the contributions payable by Canada to the province be increased from 75 per cent to such percentage, not exceeding 90 per cent, as may be specified in the agreement made under the act between the Minister of Labour and the province;

(b) to provide in respect of the costs incurred by the province for such part of the program for training employed persons in industry as may be specified in the agreement, the contributions payable by Canada to the province be increased from 50 to 75 per cent thereof;

(c) to extend, until such date as may be specified in the agreement made under the act between the Minister of Labour and the province, the period during which the contributions payable by Canada to the province will be 75 per cent in respect of costs incurred by the province for capital expenditures on training facilities; and

(d) to increase the number of members of the technical and vocational training advisory council from twenty three to twenty eight and to provide an honorarium for the chairman thereof.

**Mr. Olson:** When the committee rose at five o'clock yesterday I was about to complete the remarks I had to make on the resolution stage. At that time I was talking about the tremendous opportunity that Canada would have to make use of a program of this kind in helping some of the underdeveloped countries to train technicians so they might return later to their own people and improve conditions among them. I believe this is a most appropriate program for Canada to undertake in view of the size of our nation and its significance in the world of international politics and economics. I believe there would be a tremendous response from some of these emerging nations if Canada were to invite them to participate in such a program.

We know that several hundred millions of dollars have already been spent in providing buildings and equipment for use in connection with this technical and vocational program. Many of them are now in a position to go ahead with their work. A great deal has been done to acquire and train the necessary staff for these schools. I think it is right and proper now that we should make some arrangements in the area of financing the training so as to get this project under way as soon as possible.

[*Translation*]

**The Chairman:** Yesterday, some time before the committee adjourned at five o'clock, the hon. member for Quebec East (Mr. Beaule) moved the following motion:

That this house urge the federal government to hand back to the provinces, except those which prefer the status quo, a percentage of the income tax equal to the amounts the federal government would otherwise pay them as its contribution to the vocational and technical training assistance program, in order to enable the provinces to set up their own vocational training system as they see fit.

It was agreed then that the ruling on the validity of the motion introduced by the hon. member would be deferred until the hon. member for Medicine Hat (Mr. Olson) had concluded his remarks.

In the meantime, I had the opportunity to look into the motion of the hon. member for Quebec East, and unless some hon. members wish to comment on validity and the propriety of the amendment I am ready to give my ruling.

**Mr. Pickersgill:** Mr. Chairman, I should like to say a few words on the amendment.

At first glance, I would say the motion is out of order since it substitutes a new proposal to the one under consideration. At any rate, if we were to recognize the principle stated in the proposal, the province of Quebec would lose the advantages it could derive from the motion moved by the Minister of Labour (Mr. MacEachen). In fact, it is because the former Quebec government refused to participate in this program, that technical and vocational training is behind the times in that province.

The purpose of this government proposal is to give equal treatment to Quebec and other provinces which did not, due to special circumstances, fully benefit from this legislation.

In my opinion the proposal made by the hon. member for Quebec East would destroy that equality, and I am sure that consequence escaped his mind, but the fact remains that such would be the result.

The hon. member's motion is a mere statement which does not affect the measure now before us, but should the principles to be drawn from it be inserted in the proposed legislation, the benefit of equality being sought for the province of Quebec would be removed.

For that reason, and also in order to avoid the inconvenience of having to ask the chairman to give a decision which, in my opinion, would have to be against the motion, I hope the hon. member who made that proposal which, personally, I find quite acceptable in its general terms, but which nevertheless remains an amendment to the motion now under discussion, will agree to withdraw his own motion.

**Mr. Gregoire:** Mr. Chairman, first I hope you will allow me to wander a little from the subject to offer my most sincere congratulations to the Secretary of State who spoke in good French, clearly and with the correct accent.

Now, Mr. Chairman, as far as the amendment is concerned, there is this first point: is it in order or not?

It has been suggested it is not in order according to the standing orders, because it

would result in substituting a new proposal to the one before us. I maintain that this amendment by the hon. member for Quebec East is not intended to substitute a new proposal to a previous one, but merely to offer an alternative, because it is clearly mentioned: except to those which will prefer the status quo.

So we maintain it should stay as it is in the original resolution, but by our amendment, we want to offer an alternative to those who would so desire.

The same thing happened in regard to the measure with respect to federal loans to municipalities, when a provision was inserted to the effect that the provinces that wished to do so could take a sum equal to the loans which would be made to these provinces, with a view to lending directly to municipalities.

Consequently, the same thing happened before by means of an amendment to a resolution and this was agreed to by the Speaker, the chairman and the present government.

This is why I submit that this proposal is in order.

With regard to the second argument raised by the Secretary of State, that this amendment would have a damaging effect for the province of Quebec and that if it were accepted it would destroy any equality which might exist between the various provinces, I would answer this. Let us accept the amendment, and if the province of Quebec thinks it preferable to remain in the status quo, it will have an opportunity to do so according to this amendment. But if present conditions are disadvantageous to the province, Quebec may then resort to the power offered under the amendment.

In 12 or 18 months from now, when equality has been established among the various provinces, Quebec may choose to abandon the status quo and revert to the principle set out in this amendment.

That is why I maintain that through this amendment, the province of Quebec will have the choice between the status quo and the new system.

Mr. Chairman, I submit—and this is in keeping with the standing orders and with the principles set forth by the present government as supported by their vote two days ago—that this house should unanimously accept this amendment.

[*Text*]

**Mr. Olson:** Mr. Chairman, after having heard the remarks of the Secretary of State I am beginning to wonder how long it is going to be until we decide to do things on the basis of principle, on the basis of what is right and what is wrong, and forget about appeasement time after time. For the Secretary of State to ask the hon. member to withdraw the amendment in my opinion is tantamount to agreeing that it is in order. I contend that it is out of order. In the first place if we read the resolution as it is found on page 3135 of *Hansard* of October 2, the day it was introduced, we see that it says:

> That it is expedient, as a means toward the further development of manpower in Canada and toward increasing employment opportunities for Canadians, to introduce a measure to amend the Technical and Vocational Training Assistance Act.

I suggest that the amendment seeks to amend the Income Tax Act, which is not under consideration at all. Therefore I suggest, Mr. Chairman, that we should make a decision now on the basis of what is right and what is wrong and forget all about the appeasement that has been going on for so long.

**Mr. Knowles:** I agree with both the Secretary of State and the hon. member for Medicine Hat that the proposed amendment is out of order. I suggest to the hon. member for Medicine Hat, however, that there is nothing wrong in giving a member an opportunity to withdraw an amendment if he has been persuaded it is out of order. If he does not, and if it is quite clear that the amendment is out of order, then the chairman will so rule. I hope the hon. member will realize that this amendment is out of order and will withdraw it.

If he is not prepared to follow that course, Mr. Chairman, I suggest you have no alternative but to take into consideration citation 250, paragraph 4, of Beauchesne's fourth edition, as found on page 216. It reads:

> The fundamental terms of a money resolution submitted to the house with the Governor General's recommendation upon which a committee of the whole is set up cannot be amended. Amendments will only be in order if they fall within the terms of the resolution.

As the hon. member for Medicine Hat has just pointed out, the proposed amendment does not fall within the terms of the resolution which is before us. It seems to me, therefore, there is no question but that the proposed amendment is out of order. I still think that if the hon. member who has moved the amendment realizes this and is prepared to withdraw it, this is all to the good. If he is not, then of course, Mr. Chairman, you have to rule appropriately.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I should like to add just one word. The Secretary of State and the hon. member for Medicine Hat suggested that this proposed amendment was out of order, but they did not put forward any citation or any provision of the standing

orders. I submit that the only point put forward is the one mention by the hon. member for Winnipeg North Centre, that is citation 250, paragraph 4, of Beauchesne.

In the circumstances, I should like to point out to the hon. member for Winnipeg North Centre that our amendment falls within the terms of the resolution as it appears at item 22 of today's order paper. We strike off nothing from the resolution. Our amendment only adds one thing without taking anything away, and the proposal which is added falls within the terms of the resolution, because it adds one alternative, which is optional and in no way compulsory, for the provinces.

That is why I maintain that paragraph 4 of citation 250 from Beauchesne's does not apply in the present case, and I submit that this argument is out of order, especially at the resolution stage, since at that stage suggestions are made to the government to be incorporated in the bill which will be introduced, if they are accepted. That is why I maintain that our amendment is in order and in accordance with the standing orders.

[*Text*]

**Mr. Pickersgill:** Just so the record will be straight, may I say I agree completely with the views expressed by the hon. member for Winnipeg North Centre.

[*Translation*]

**The Chairman:** I had the opportunity to study the proposal made yesterday by the hon. member for Quebec East. I naturally listened closely to the comments made by the hon. members of this committee during the discussion which just took place.

In the first place, I think that the proposed amendment is out of order in its present form. It seems to me that the object of an amendment is to alter the main motion and that it can be introduced, according to citation No. 201 of Beauchesne's fourth edition by one of the three following procedures:

(a) by leaving out certain words;
(b) by leaving out certain words in order to insert other words;
(c) by inserting or adding other words.

Besides, I think that an amendment must be related to the motion it tends to modify, that is to say that the substance of that amendment must not only refer to the substance of the main motion, but also be directed towards the main motion and fall within its provisions and details.

Generally speaking, an amendment should tend to restrict rather than to enlarge upon the terms of the main motion.

I feel therefore that not only is the motion out of order in its present form, but that it is defective in that it does not fall within the framework I just mentioned. Consequently, it is not germane to the resolution put by the minister.

That being the case, I think the hon. member's proposal is really a substantive motion and that, as such, it cannot be acted on before the notice prescribed in that respect has been given, and that when the Speaker is in the chair.

If my conclusions are right, I think that the hon. member's proposal departs from the terms of standing order 44, namely:

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

I do not suggest that all these procedures would be acceptable when the house sits in committee of the whole. I suggest that the motion of the hon. member is inconsistent with any or all of the provisions of standing order 44.

Consequently, for the reasons indicated and having considered the arguments put forward this morning, I regret to tell the hon. member for Quebec East that his motion is not in order at this time.

**Mr. Beaule:** Mr. Chairman, I appeal against your ruling.

**Mr. Gregoire:** Mr. Chairman, before appealing against your ruling, that is before the vote is taken on your ruling, since you especially raised the question of vice of form and since the same problem occurred two days ago in this house and that you allowed to correct the vices of form of a motion and not the substance, would it be possible to correct this faulty drafting in order that this motion may be acceptable to the house?

**The Chairman:** Order. The Chair has given its ruling. I take the liberty to remind the hon. member that the ruling is not or cannot be essentially based on the question of form, because I put forward arguments about the substance, on which I based the ruling I have just rendered.

**Mr. Beaule:** I maintain my decision, Mr. Chairman, and I appeal against your ruling.

[*Text*]

**Mr. Pickersgill:** I wonder, sir, before you leave the chair if hon. members would agree, in order to expedite business, that the matter could be settled by unanimous consent here in the committee instead of going to the trouble of having the Speaker called back to the chair and ringing the bells for a division. If there is any objection we would have to follow the usual course, but it does take up time.

[*Translation*]

**Mr. Beaule:** Mr. Chairman, I accept the Secretary of State's suggestions that the matter be settled by the committee.

[*Text*]

**The Chairman:** Do we have the consent of the committee to act in this way?

**Some hon. Members:** Agreed.

[*Translation*]

**Mr. Beaule:** Could the Secretary of State tell us how he wishes to proceed?

[*Text*]

**Mr. Knowles:** One way that would save considerable time would be to bring the Speaker back to the chair and have a voice vote, without having five members stand to call for a recorded vote.

**Mr. Pickersgill:** I think that is a very much better suggestion, because then we would not be departing from any of the standing orders, if that could be agreed upon.

**Mr. Deputy Speaker** resumed the chair and put the question as follows:

In committee of the whole, when a resolution to amend the Technical and Vocational Training Assistance Act was being considered, the hon. member for Quebec East (Mr. Beaule) proposed the following motion:

[*Translation*]

That this house urge the federal government to hand back to the provinces, except those which prefer the status quo, a percentage of the income tax equal to the amounts which the federal government would otherwise pay them as its contribution to the vocational and technical training assistance program, in order to enable the provinces to set up their own vocational training system as they see fit.

[*Text*]

The chairman ruled that the amendment was not only defective as to form but it was also irrelevant and, as such, it was in the nature of a substantive motion. Whereupon the hon. member for Quebec East appealed to the house from the decision of the Chair.

Is it the pleasure of the house that the chairman's ruling be confirmed? Those in favour will please say yea.

**Some hon. Members:** Yea.

**Mr. Deputy Speaker:** Those opposed will please say nay.

**Some hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the yeas have it. I declare the ruling of the chair sustained.

And the house having resumed in committee:

**Mr. Cantelon:** Mr. Chairman, in rising to discuss this resolution I think I should first point out that I know I am the second speaker on the Conservative side, and so I disagree with the hon. member for Vancouver-Kingsway who said there was going to be just one speaker from each party. I have some views which I want to communicate with regard to this resolution, and I thought it better to do so on the resolution stage than on any other.

Second, I confess I am quite at a loss to understand the objections of the hon. member for Quebec East. He seems to feel that the original act, and the modifications which the resolution suggests, are unjust toward Quebec in that they were made for the English speaking provinces. I must say I am unable to see this argument at all. It is true Quebec has used only a very small portion of the money available to it, but Quebec is not the only province in that situation. My own province, Saskatchewan, has used a surprisingly small portion of the money that was available, and so I cannot see his objections.

The resolution contains four provisions. The first two, increasing the federal percentage of training allowances for unemployed persons, and for training allowances for employed persons in industry, should make it possible for the provinces to increase the aid they are now giving in these two fields. The third provision, which extends the date for payment of the 75 per cent of capital costs, should enable the provinces that were less ready to take advantage of federal assistance to do so now, provinces like Quebec and Saskatchewan.

Of course I support, as I think do all hon. members, these three provisions. It is very easy for a Conservative to support them, since they merely continue and extend to some degree legislation which the previous government introduced in December, 1960; legislation which I feel certain would have been imaginatively and constructively improved by this time rather than merely continued.

The original bill demonstrated the Conservative party's belief that skilled manpower is of prime importance in fostering national development. This principle is recognized in other countries, and in fact the Labour party in Britain intends to fight the next election on this premise. They believe that the future of Britain depends upon establishing a well educated class of workmen, with a large and well trained group of scientists creating the new products and the new processes which will provide the jobs for these super workmen. Surely we believe in the same thing.

As the hon. member for Cape Breton South said in the House of Commons on December 9, 1960, speaking to the original bill:

Anyone who has studied the bill will have to admit it is the most positive step forward in the training field ever taken in this country.

It was the previous government which had the imagination to take this step, and coupled with that imagination concern for the people and the welfare of the country to produce this fine piece of legislation. I believe I should also add that it had the administrative skill to make the bill work effectively, administrative skill which the present session has demonstrated is so sadly lacking in this government.

The legislation which was then introduced empowered the federal government to enter into agreements with the provinces to provide financial assistance toward the costs of providing technical and vocational training programs for adults. This was quite a change and enlargement in assistance. Formerly programs of technical and vocational training were available only to unemployed persons, students in technical and vocational courses in secondary schools, apprentices, supervisors in industry, and disabled persons.

Therefore we see that in December, 1960, for the first time the Progressive Conservative government produced legislation which enabled it to share in the costs of providing the necessary technical and vocational training to persons who required skills to work as technicians, to persons over regular school leaving age who needed training to develop or increase occupational skills and, third, to teachers, supervisors or administrators who were to carry out the training programs.

While providing this assistance to the provinces to train these people, the previous government also recognized the need to provide funds so that additional training facilities could be provided across Canada. Thus the government provided contributions of up to 75 per cent of the capital cost of such facilities and equipment. These new facilities included technical and vocational schools, technical institutes and trade schools.

The need for such legislation was very great. It was a need that had existed for a long time during the governing years of the previous Liberal administration, and the program meeting this need was tremendously successful. More than 450 projects, involving 221 completely new vocational high schools, trade schools or technical institutes were constructed. In all accommodation was provided for some 130,000 more technical and vocational students. The estimated cost of these approved projects was in the neighbourhood of $442 million, and that $442 million was one of the reasons that the Conservative administration had such large deficits during its period in office. I for one, and I am sure many other Canadians, applaud deficits like these, deficits which educate our people, deficits which help to assure a fine future for our country.

Besides doing this, the previous government paid 75 per cent of the cost of training unemployed persons. It also shared with the provinces, on a 50-50 basis, the operational cost, including student allowances, of approved training programs. That Progressive Conservative government provided 50 per cent of the cost of training programs for apprentices, disabled persons and supervisors in industry. This was done because the previous government believed that industry itself must accept a larger share of the responsibility for the establishment of suitable training programs to meet its own needs. Provision was made to assist industry in this regard to develop active training programs in (1) apprenticeship training, (2) the utilization of training facilities in industrial establishments for training unemployed persons, (3) the enlargement of present programs for training instructors in industry, and (4) the introduction of new training programs by industry to upgrade the skills of employees to meet continuing manpower needs and changing occupational requirements.

All that the resolution now before the house will do is increase to some extent the financial contributions and, more significantly, extend the April 1, 1963 time limit on federal contributions to capital costs of training facilities built by the provinces to March 31, 1967. The resolution also introduces a limiting factor in that no province can receive more than $480 per student in the 15 to 19 years of age training group. The apparent reason behind this move is that the old time limit discriminated in favour of the provinces where technical and vocational training was well advanced.

The $480 limitation is one feature of the resolution which disturbs me. There is quite evidently no attempt to apply the equalization of educational opportunity principle to the financial provisions. In brief this principle is that every Canadian should have an equal right to a good education. It is equally obvious that all provinces are not equally capable financially of providing this right. It should therefore be the purpose of the federal government to provide financial support for those least able to provide it themselves. In other words, Mr. Chairman, I believe very strongly that it should be an axiom of federal aid in all educational fields to provide funds which will enable every Canadian to have that equal educational opportunity. I am afraid that by bringing every province's aid up to the limit set, the need of those who require it most is not being recognized.

I would like to quote from a report in the Saskatoon *Star-Phoenix* of recent date on comments made by Dr. J. T. Montague, director of the industrial relations institute at the

University of British Columbia, which I believe emphasizes the main fault of a program such as this resolution presents. This article is headed "Roundhouse blows at ill defined target" and says:

"The federal government has dashed to the scene with answers which show strong conviction about the trends which are evolving"—

Then further:

But, Dr. Montague said, "Indications of change in the labour force are seemingly without sufficient pattern from which to picture clearly the labour force of the future.

"Firm answers have taken hold in an area where it is next to impossible to describe anything more than the most general labour force adjustments needed to meet industrial adjustments which as yet are without definite shape".

The article continues:

"Even a quick glimpse leaves me spinning in questions of whether we will find in the long run that today's efforts have assisted in overcoming structural difficulties within the labour force or whether, by carrying out single-skill programs which are often dead-end in character, we have guaranteed to complicate the future".

Programs set up under this act are not designed to correct the root of the matter. Only the establishment of an efficient, widely based, general educational program designed to raise the educational level of our people to the highest in the world is good enough for this country. Some of the provinces may be able to do this for themselves, but unless all the provinces do it this country will continually be plagued by an overabundance of cheap, uneducated, unskilled labour; and all labour, all people, all provinces, rich and poor, will suffer from a depreciated standard of living as a consequence.

In this respect, Mr. Chairman, I would like to refer to what the hon. lady from Northumberland said on Friday, October 25. I will not actually quote her words but will merely paraphrase them. She spoke of the fact that over 1,700,000 of the residents of the 17 metropolitan areas came from other countries, and almost one million of the residents of those 17 cities came from a province other than that in which their respective city was located. The implication should be obvious to the wealthy metropolitan areas. They should, in their own interests, have no objection to assisting in the education of the less fortunate. This is recognized by the school trustees association, which recently presented a brief to the royal commission on taxation which contained a number of practical suggestions. I again quote from a report in the Saskatoon *Star-Phoenix* of recent date:

The federal government must make more tax dollars available to lower levels of government if the ballooning costs of education are to be met, the Canadian school trustees association said today.



The article says further:

The association recommended that local government be given the responsibility for elementary education, with necessary assistance from provincial governments which would also take care of secondary education. Higher and vocational education would be looked after by the federal government. Additional assistance should be given to the Atlantic provinces, and any other provinces that need it, to help bring expenditures per pupil in line with the national average.

These are good, concrete suggestions, and no matter what may be the expressed opinions of some members about the interference of the federal parliament in the rights of the provinces, I contend that help given to universities and help given to the provinces for improvements in vocational and technical education does not interfere with provincial rights. We are doing it now, and no one can honestly say that the dominion has in any way interfered in provincial control of education by offering financial aid where it was badly needed.

I would like to conclude by saying that I am quite disappointed that the Minister of Northern Affairs and National Resources has not yet presented his bill for the granting of 10,000 scholarships. Surely he is not worried about the cost, because this government seems willing to spend money on almost anything else; the deficit grows by leaps and bounds. Surely this program is not being delayed because the government is suddenly growing parsimonious. There are so many other places in which millions of dollars could be cut off, with less loss to the country. For example, the new Department of Industry is to have some 125 executive employees each drawing over $11,000 a year, for a total of $1,500,000 yearly. The enlargement of a high priced bureaucracy is proceeded with apace, but the education of our people is relegated to a minor position.

[*Translation*]

**Mr. Pigeon:** Mr. Chairman, I would like to direct a question to the parliamentary secretary to the Minister of Labour (Mr. Byrne). During an election campaign, the Minister of Justice (Mr. Chevrier) made the following promise:

The payment of a small salary to students attending technical schools with a view of relieving their parents from their burden.

Could the parliamentary secretary inform us whether the Minister of Justice made representations to the Minister of Labour (Mr. MacEachen) to the effect that a salary be paid to students in order to give some relief to their parents?

**Mr. Caron:** You are no longer against patronage?

**Mr. Pigeon:** I am referring here to a public statement made before a large number of

witnesses by the Minister of Justice during an election campaign.

**Mr. Pigeon:** Mr. Chairman, I would like to receive an answer.

[*Text*]

**Mr. Byrne:** Mr. Chairman, there are a number of matters to which I should like to reply, but in view of the fact that there has been some sort of arrangement made amongst the leaders of the various parties that we would limit debate at this time, I think it would be appropriate if I were to make my statement on the second reading of the bill. In the meantime I will bring this matter to the attention of the minister.

**Mr. Pigeon:** I agree.

**Mr. Smallwood:** Just one short question for the parliamentary secretary. He has referred to vocational training schools, and I should like to use the example of Camrose, Alberta, where a school was officially opened last September. A member of parliament from that area who lived some 60 miles from Camrose was invited there, but your government sent an official from Ottawa at the expense of the taxpayers just to make a five minute speech at the opening of this school. Is that the policy of your government, to waste the taxpayers' money on that sort of thing?

**Mr. Byrne:** I think it is quite appropriate, and it is usually done by decision of the local people who have gone to very great efforts to bring these projects forward. When they send an invitation to the Department of Labour the department, which in most instances has undertaken to pay up to 75 per cent of the cost of construction, considers it only a courtesy that someone from the department attend. I am sure the committee will agree that this is normal procedure.

**Mr. Smallwood:** Then do I take it that this man was sent to Camrose at the request of one of the consultants to the Postmaster General in that district?

**Mr. Fisher:** Mr. Chairman, I am not going to make a speech, but I do want to give notice to the person who is now sponsoring the resolution that when the bill goes into committee I want to ask a series of questions in relation to the utilization, for actual vocational and technical purposes, of the plant that has now been created as a result of the working of this act over the past three years. I intend to ask for fairly detailed information at that time.

**Mr. Byrne:** I can assure the hon. member that this information will be available at that time.

Resolution reported and concurred in.

*Mint and Exchange Fund Act*

**Miss LaMarsh (for Mr. MacEachen)** thereupon moved for leave to introduce Bill No. C-105, to amend the Technical and Vocational Training Assistance Act.

Motion agreed to and bill read the first time.

## CURRENCY, MINT AND EXCHANGE FUND ACT

AUTHORIZATION TO PURCHASE SECURITIES OF INTERNATIONAL MONETARY FUND

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, before the next order is called I wonder if I could say a word about the business. I think there is an understanding that if we called the currency, mint and exchange fund resolution the resolution could be disposed of very quickly so the bill could be debated on Monday after the bill which has just been introduced. If that is the correct understanding I should like to have it called before the railway committee resolution. However, if hon. gentlemen want to have any prolonged debate on this matter we would stick to the program which was announced last night and call the railway committee resolution first.

**Mr. Monteith:** We would agree to that procedure, Mr. Speaker.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I have to be away on Monday, Mr. Speaker, but I have only a few sentences, if that is acceptable.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, ordinarily we are more than pleased to cooperate with the government and, on this matter, we agreed yesterday to adopt the resolution as quickly as possible. However, in the light of events that transpired since last night, and in view of the fact that the resolution constitutes inevitably a first step towards the creation of an international currency, we feel we have to express our views on this resolution, not by stretching the debate too long but by having at least one member speak on this matter.

[*Text*]

**Mr. Pickersgill:** Then in that case, sir, it seems to me that we could proceed with this item so the bill would also be available by Monday, as well as the other bill. I will be glad to make the motion on behalf of the Minister of Finance, seconded by the Postmaster General.

**Mr. Pickersgill (for Mr. Gordon)** moved that the house go into committee to consider the following resolution:

*Mint and Exchange Fund Act*

That it is expedient to introduce a measure to amend the Currency, Mint and Exchange Fund Act to authorize the Minister of Finance to purchase out of the exchange fund account maintained under the act, securities of the international monetary fund.

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

**Mr. Benson:** Mr. Chairman, first of all I wish to thank members of all parties opposite for their very generous agreement to allow me to make a purely explanatory statement concerning this motion and move on to second reading of the bill with the minimum of debate. My statement will be slightly longer than would ordinarily be the case at this stage in order that the purpose of the legislation may be made quite clear, to the end that this explanation may assist hon. members opposite by indicating what the government intends to achieve by the proposed legislation.

Under the provisions of section 22 of the Currency, Mint and Exchange Fund Act the exchange fund is permitted to acquire and to hold certain types of foreign assets. At present these assets are limited to (1) gold; (2) convertible currencies such as U.S. dollars and sterling, and deposits in such currencies; (3) treasury bills and other obligations issued by the U.S. government. The amendment proposed is a very simple one. It would add one further item to this list, specifically "securities of the international monetary fund maturing not later than five years from the date of issue". This amendment is needed so that Canada can participate in the arrangements for the provision of supplementary resources for the international monetary fund, known as the "fund decision on general arrangements to borrow".

Hon. members may recall that on January 8, 1962, the minister of finance at the time announced that, subject to parliamentary approval, Canada would join nine other leading industrial countries in undertaking to provide stand-by credits to the international monetary fund up to specified amounts. These credits, if and as required, would provide the fund with supplementary resources to support the reserves and balance of payments of one or more of the participating countries if they came under special pressure; in other words, to avoid exchange crises in the participating countries. The agreed purpose is "to forestall or cope with an impairment of the international monetary system".

The ten participants in this arrangement are Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom and the United States. Switzerland, although not a member of the fund, is also expected to participate. All the other nine countries have already adhered formally to the arrangement. Total pledges of support by the ten participants under these arrangements amount to the equivalent of $6 billion in terms of United States currency. The maximum which Canada might be asked to lend under these arrangements would be the equivalent of U.S. $200 million or Canadian $216,216,000 at our current fixed rate of exchange.

Such loans, of course, would not be a budgetary charge. It is anticipated that loans which might be made available by Canada under these arrangements could involve the use of existing resources in the exchange fund account and would consequently not necessarily require net additional Canadian dollar borrowing by the government.

If a participating country makes a loan to the fund under these arrangements it may receive, upon request, securities of the fund equal to the amount of the loan, and bearing interest to maturity based on a formula which at present yields a rate of 1½ per cent per annum. The maturity of any such security will not exceed a maximum of five years. The agreed interest rate corresponds approximately to the average rate earned at present by the fund. If the scale of charges made by the fund on its various forms of accommodation were increased, the rate payable to countries providing special resources would be increased accordingly. The fund will also pay a transfer charge of one half of one per cent on each borrowing transaction.

The amendment proposed will provide the legislative authority to allow the exchange fund to invest in securities to be issued by the international monetary fund. Since the purpose of such an investment would be to promote stability in exchange markets, and since any participating country may recall its investment if it experiences balance of payments difficulties, it is appropriate that any supplementary resources called for by the I.M.F. from Canada should be provided through the exchange fund.

The procedures which the ten participants will apply in making supplementary resources available have been embodied in an exchange of letters between the French minister of finance and each of the nine other ministers. On January 8, 1962 the text of the exchange of letters was released by the then minister of finance. In brief, the arrangements would be brought into play on the initiative and under the guidance of the managing director of the international monetary fund. In the very unlikely event that agreement could not be reached among the lending countries regarding their relative shares in any particular transaction, an arrangement for a formal voting procedure is provided.

Canada, because of its dependence on trade, played an important role in the founding of the international monetary fund. Canada was one of the sponsors of the general increase in quotas four years ago, and in fact accepted an increase in its own quota greater than the average.

We are also, as hon. members know, participating currently in international discussions relating to the working of the international financial system. I am sure hon. members will agree that Canada should continue to play a constructive part by participating in the special arrangements now proposed to enable the fund to carry out its growing responsibilities.

In addition to the amendment just outlined, the government proposes another of a purely technical character. This relates to section 22 of the act. This amendment would make it clear that the proceeds upon maturity of securities held by the exchange fund, as well as the proceeds resulting from the sale of such securities, are to be credited to the exchange fund. This amendment is really required because of an oversight in the original legislation; however, it is currently important because securities to be issued by the international monetary fund will be non-negotiable and hence will be held to maturity if they are not called by the fund for repayment.

**Mr. Nowlan:** I am sure the committee has listened with interest to the statement which has just been made by the parliamentary secretary to the Minister of Finance. As he has pointed out, the primary purpose of this legislation concerns a matter which has been under discussion for a substantial period of time. The letters embodying the conditions under which it is proposed to operate were tabled by my predecessor in January, 1962, I think the hon. gentleman said.

I believe legislation along these lines is desirable because it will serve a valuable purpose. This proposal is the legislative culmination of a series of discussions which have been going on over a period of months, if not years, and I hope the committee will see its way clear to adopt the resolution without undue delay, though it is not, of course, for me to say what discussion there should be on it.

As for the second part of the proposal, it is of a purely technical nature necessary to clear up one phase of the operation as far as we are concerned, and I am sure it will commend itself to the committee.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I do not propose to hold up the committee for very long. I just want to make some comments on this subject because I have brought this question before the house on a number of occasions. I refer to the difficulties in which the world is getting in regard to international trade.

In spite of the reply given by the Minister of Finance to a question I put to him, I am unable to place any other interpretation upon this bill than that it is a stopgap proposal, or a small, faltering step toward a final solution of the problems of international trade. It is significant that the ten countries which are at present engaged in negotiations in Paris should be the same ten countries which are involved in this proposal. There have been repeated news reports both from Europe and the United States about the Paris discussions, and there have been a number of plans put forward for improving the situation with regard to international liquidity. One of them was referred to recently in the New York *Times*, the Bernstein plan; and there is another which is perhaps more far reaching in its implications and which has also been discussed.

I hope Canada will not be among the countries which will drag their feet when it comes to moving more rapidly toward a final solution of these difficulties. There will certainly be opposition to any radical changes. Some of these objections were voiced by the new director of the international monetary fund shortly after he took office. Not long afterwards, though, he beat a retreat and suggested that while in his opinion there was no present serious shortage of international exchange, such a situation might arise and it would therefore be as well to proceed with investigations.

I hope we will not stop at investigations. This is reminiscent of the days some 30 years ago when national economies were trying to free themselves from the restrictions of the gold standard. The same sort of objections were raised then to any departure from the gold standard that are being raised today against more revolutionary proposals for an international unit of exchange. I hope the Canadian government, through its delegation, will be among those who will be pressing for the exploration of every possible means by which the world economic community can move into the position which is now occupied by national economic units in relation to the exchange medium.

**Mr. Thompson:** The principle involved in this resolution is of vital concern to us. As we were in extreme difficulties during the thirties, when the gold basis of our national monetary unit was proving unsatisfactory, so are we today in difficulty on the international scene as far as the gold standard is concerned. However, following the principles we have enunciated when speaking about reform as far as the operation of the rules

in this house are concerned, we are content to let this resolution pass now and take the opportunity of examining the serious aspects which are involved in this proposal when it comes before us as legislation.

We find this measure brought before us on exactly the same day that press reports have come out regarding plans for a global currency system now under consideration by ten nations. We find that these are the same ten nations involved in this particular resolution. This situation causes us to wonder. I wonder, myself, why Switzerland is not in this arrangement. However, there will be an opportunity to debate and discuss this matter fully when it comes before us as legislation, and we shall deal with it more specifically on that occasion.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I believe the few questions I had the opportunity to ask the Minister of Finance (Mr. Gordon) today during the question period succeeded in opening the eyes of some of the other members of this house to the results of this resolution which appears as item 14 on the order paper.

In my opinion, were it only a matter of studying the resolution in itself and in a general way, there would probably be no problem.

The question is simply to establish a reserve fund for the various countries so that, should one of the ten countries—Canada, France or the United States—find itself in difficulties in respect of its foreign exchange reserve to deal with the others, that ten-country club, known as the Paris club, would lend money to that country, so that it would find it easier to carry out its transactions.

We must not forget one thing, however. This famous Paris club has ten members, practically all countries belonging to the common market except Luxembourg, Great Britain, Canada, the United States and Japan.

Those discussions were followed by a second stage where efforts were made to set up an international currency. This is where we raise objections. History proves that there was at the first stage, a chain reaction which is difficult to stop.

The next step will be the establishment of an international currency, as the New York *Times* stated recently. That scares us a little, Mr. Chairman. Why? Because Canada, like the nine other members of the Paris club, does not control its own currency.

Our monetary unit, at 92.5 per cent, that is credit, and we do not even control it.



And now countries which do not even control their monetary unit will agree to create a monetary unit that will be under whose control then?

The danger lies there. If you consider those ten countries that make up the Paris club and if you consider which ones control their credit, you will find that control vested in four or five international credit trusts: Kuhn and Loeb, J. P. Morgan, the Rothschilds, the Lazares. Here is where it all ends: four international financial trusts, and London's Barclay's Bank.

I can see the Minister of Finance seems to find it funny that trusts such as these should be mentioned. But, Mr. Chairman, let us not forget that when, for instance, the Imperial Bank of Canada and the Canadian Bank of Commerce merged—two of our most important chartered banks—to form one of the largest banks which controls money and credit in this country, and when that merger was announced in the official Canada Gazette, it was seen in the last paragraph that those two banks were controlled by the Barclay's Bank of London.

Now, if we take a look at all our chartered banks, if we examine the situation of the banks controlled in the United States, in France, in Italy, in the Netherlands, in Belgium, in Japan, in West Germany, we find that the same four big international financial trusts I mentioned a while ago control credit and the growth of credit in each of those countries.

And as a first step, which may seem very normal—it seems to be a procedure designed for mutual help—those ten countries propose: "That loans be made or at least securities issued on the market, which will be meant to guarantee us against the difficulties one of the ten countries might have." But who will control the securities and the $200 million worth of securities issued at the start by Canada, to be deposited if need be—not immediately if there is no immediate need, but if needed—in this new monetary fund?

Mind you the terms used are, as I can see it, rather ambiguous—they do not tell the truth; they say "securities of the international monetary fund". It is not a matter of putting moneys in some international monetary fund or a matter of doing business with the international monetary fund, it is a fund which is entirely distinct from the international monetary fund; the one we are now being asked to approve would be just a fund available to those ten countries.

We are afraid of that step, Mr. Chairman. While, today, Canada is the only country in the ten member Paris club which has signed the agreement to which parliament has not yet affixed its signature and about which it

has not as yet made up its mind—it is assumed that Canada will follow, as usual, England, the United States and the other countries, it is assumed that Canada will always follow in their wake—we are presented with the second stage, which is the creation of an international unit for the ten countries included in the Paris club, whose international units and control lie precisely with the same four financial cartels.

Mr. Chairman, the reason given is that the countries can be in need of this and may meet with difficulties in the field of international trade. Well, as far as this is concerned, I shall tell the Minister of Finance that if Canada, under the present administration as well as under the previous one, experiences or has experienced difficulties, this is not because of the economic situation of Canada during peacetime but because of the mismanagement and wrong monetary system that we now have in Canada.

Instead of attempting first to do things like that, we should rather think of making the necessary changes in our monetary system, in order to be able to anticipate, so that we will not have the difficulties we now experience, like those we had in the past.

The economic situation of Canada might be very sound, but it is badly affected, not because of men or because of the wealth of this country, but because of the monetary and financial system we have in Canada. This is a mistake the Minister of Finance should correct, instead of committing us to another system of international control by financial trusts.

Mr. Chairman, I submit that this resolution should have been much more carefully scrutinized, so that we could have roused public opinion on the venture in which the government intends to launch us at this time.

However, we will accept the resolution in order to see at least, how far the bill can lead us. But the government will have to guarantee that Canada will not join this famous Paris club, a club of ten countries all "controlled" by international finance trusts.

When the bill is before us, we will be in a better position to discuss it, because we will then know what it is all about. However, I wish to warn the Minister of Finance right now that with all the latest developments we can open our eyes and foresee where this first stage of the Paris club of ten is leading us.

[*Text*]

**The Chairman:** Shall the resolution carry?

**Mr. Gordon:** Mr. Chairman, it was agreed that there would be only one speaker for each party at the resolution stage, so I should just like to give notice that I will have something to say when the bill is before the house.

**Mr. Gregoire:** Mr. Chairman, if the Minister of Finance wants to make some remarks on the resolution we would agree that he should be permitted to do so before the bill is presented. We would then have the opportunity to study his reply to the remarks made by opposition members before the bill is presented. We would agree to the Minister of Finance making such remarks when we reconvene at 2.30.

**Mr. Gordon:** Question.

Resolution reported and concurred in.

**Mr. Gordon** thereupon moved for leave to introduce Bill No. C-106, to amend the Currency, Mint and Exchange Fund Act.

Motion agreed to and bill read the first time.

At one o'clock the house took recess.

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## AFTER RECESS

The house resumed at 2.30 p.m.

## RAILWAYS, AIR LINES AND SHIPPING

### ESTABLISHMENT OF COMMITTEE ON RAILWAYS, AIR LINES AND SHIPPING OWNED AND CONTROLLED BY THE GOVERNMENT

**Hon. G. J. McIlraith (Minister of Transport)** moved:

That a sessional committee on railways, air lines and shipping owned and controlled by the government be appointed to consider the accounts, estimates and bills relating to the Canadian National Railways and Trans-Canada Air Lines and such other matters as may be placed before it, saving always the powers of the committee of supply in relation to the voting of public moneys, and that the said committee be empowered to send for persons, papers and records, and to report from time to time, and that notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee shall consist of 26 members.

He said: Mr. Speaker, this is a motion made each year to set up a sessional committee which is charged with the responsibility of examining the operations and accounts of the publicly owned railway system and its subsidiary, the air lines system. Its work has to a limited extent been disturbed in the last two years by the calling of elections at times when they interfered with the regular routine of the session.

The motion, as will be seen, has been on the order paper since July 10. For my part I must say I am very glad that it has come forward now. I think I represent the views of all members in this house if I say that we look forward to having it set up so that hon. members can have the opportunity of examining the officers of the two crown-owned

corporations and examining their affairs. The importance of the transportation system to the economy is so self evident that it would be redundant were I, at this time on this motion, to attempt to develop that theme.

I hope that later in this session I will be presenting to parliament general railway legislation which will have rather far reaching effects, and which will be based on the study of the royal commission on that subject. Of course hon. members have been looking forward to the introduction of this legislation for some time. I hope also, before the end of the year, to be making a statement on air policy. In any event, these two particular questions are not germane to this motion. However, the statement of air policy, the railway legislation that is coming forward and certain other related transportation legislation that is either on the order paper or coming, together with the work of this committee, should represent rather extensive activity for this session of parliament in the whole field of transport.

Perhaps no useful purpose would be served at this stage by saying more in asking the house to concur in the motion to set up the committee. I should like, however, to indicate that if the motion carries I propose immediately to move to refer the annual report of the railway and of Trans-Canada Air Lines to the committee.

**Mr. Gregoire:** May I ask the minister a question. How many members will there be on that committee?

**Mr. McIlraith:** There will be 26, I think, according to the motion.

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I noticed that the minister made very brief remarks on this resolution, and I understand very well the reason for his brevity. There have been some important matters raised with which the minister could have dealt when he introduced this resolution. We should like to hear from the government at this stage what the responsibilities of this committee will be. I think the minister, in avoiding some of these problems, did not want to implicate the government by giving the committee directions, and his failure to do so indicates a lack of comprehension of the problems that have been raised in the house in the last few days.

This resolution, Mr. Speaker, is quite an important one. As the minister said a while ago, elections have interfered with the work of the committee, and this is something we all regret. However, if the Liberals had not felt an urgent need for an election, and conspired with some other parties to bring one about, there would have been an opportunity to proceed with the work of the last parliament.

[Mr. McIlraith.]

[*Translation*]

Mr. Speaker, I find that the minister considered it his duty, his obligation, not to mention certain projects and situations which deserve to be submitted to the house, so that the committee might get a general idea of the duties its members will have to face.

Referring to the resolution proper, item 12, on page 6, I find this:

> The committee is to consider the accounts, estimates and bills relating to the Canadian National Railways and Trans-Canada Air Lines and such other matters as may be placed before it.

Among the matters that may come before the committee there is one which is certainly with us at this time, and it is the decision of T.C.A. whether to acquire Caravelle type aircraft or not.

This morning, we asked the Prime Minister some questions to this effect, and the hon. member for Dollard (Mr. Rouleau) even addressed one to the Prime Minister. Following my subquestion, the Prime Minister seems to have given his assurance that no decision on this matter would be taken without parliament being given an opportunity to express its opinion.

To my mind, that is a wise decision. We remind the Prime Minister of that undertaking, because we consider this to be a most important matter, not only for the city of Montreal, but for Canada as a whole.

I should perhaps also remind hon. members that three proposals have been made to T.C.A. One concerned the purchase of a new type of aircraft—and you may remember that T.C.A. hesitated between the BAC-111, manufactured in England, where the manufacturing company had apparently undertaken to take back the Vanguard type aircraft in exchange, and other aircraft.

Unfortunately, as everybody knows, an unfortunate incident which happened recently modified the company's decision. T.C.A. announced almost officially, through its president, its decision to ignore the wishes of parliament, the city of Montreal, the province of Quebec and various organizations, and had, in short, practically decided to acquire the DC-9.

You also know, of course, that this aircraft is built in the United States, and that this American company had decided to place part of the order, that is 12.5 per cent, with Canadian subcontractors if T.C.A. bought that plane.

There was another alternative, and it was to buy a Caravelle or a Super Caravelle. The company which sells that aircraft made a most interesting offer, in the hope that T.C.A. would take a closer look. However, I am sorry to say that the president of T.C.A., acting in what one might call an autocratic way, had decided before hand not to listen

to any representations. Actually, the Sud-Aviation company, which builds that aircraft, had offered Canadair, in Montreal, to join it in a common venture; it was ready to grant Canadair the exclusive right to build the Caravelle and the Super Caravelle that would be sold in Canada and all over North America.

It is quite clear that such a proposal would have been extremely beneficial to Canada and to the whole Canadian aviation industry.

At a time when Canada is plagued with unemployment, more particularly in the province of Quebec and in the city of Montreal, thousands of workers would have found jobs.

The minister has consistently refused to give this house relevant information about the decision or the motivation behind this T.C.A. deal. We hope that he will now find it possible to reconsider the purchase of the Caravelle. We also hope that the committee to be appointed will be given detailed information and that it will have occasion to read the report which T.C.A. engineers had prepared on that matter.

Mr. Speaker, I do not understand the reason why the minister wishes to surround with such mystery the purchase of those planes. T.C.A. employs more than 365 engineers, almost as many as Canadair, which is a private enterprise, and I wonder why there is so much difference in the interpretation given by those two organizations.

In fact, according to the information I could unofficially gather, it seems that the engineers of Canadair have studied the three different types of planes, and that there was no doubt as to the superiority of the Caravelle aircraft over the two other types of aircraft I mentioned a moment ago.

I hope the minister will give us his assurance that the committee will be able to study this whole question before an arbitrary decision is made by the T.C.A. board of directors. This is a prime and vital question for Canada, and especially for the members who will be on the committee.

And if I refer to the statement of the Prime Minister (Mr. Pearson) this morning, we are assured that no decision, I repeat, will be made before parliament has a chance to express its opinion in advance on the choice of the type of aircraft T.C.A. intend to acquire.

Mr. Speaker, there is another matter I want to point out to the house. If we examine the set-up of the T.C.A. board of directors—and I am sorry to have to say it—we find only one French Canadian on a total of 18 directors. It is Mr. Jean Louis Levesque, a Montreal industrialist and financier. And, on this point, I must say it is all to the credit of our party and our leader that Mr. Levesque was appointed during the Conservative administration. Unfortunately, he is the only French Canadian on that board of directors.

In view of the statements made in good faith by the chairman of that crown corporation, we hope that the situation will improve and that this corporation will give French Canadians who have made a name for themselves in the business sector, an opportunity to become members of the board of directors.

Of course, the committee will also have the responsibility to scrutinize the expenditures and the investments of that corporation. Before coming to the estimates of the C.N.R., I should like to ask the minister whether he could not see to it that Canadian currency is accepted by the T.C.A. offices all over the world. In fact, a few years ago, I happened to go to a T.C.A. office in Florida and the Canadian money I offered for an airplane ticket from Miami to Montreal was turned down. It seems unthinkable that Canadians who happen to travel abroad could not buy tickets at T.C.A. offices with Canadian currency.

I also wish to point out to the house that I had the same experience during a recent trip in Europe and I am sure that other hon. members probably had the same misfortune. I realize that this is a matter of internal administration, but I think the committee could certainly discuss the problem in order to find a solution, because it is completely illogical to find such an attitude in the offices of T.C.A., a crown corporation.

Mr. Speaker, the committee will also have to criticize and study the operation of the C.N.R.

Now, so much has been said about that crown corporation and especially about its president, who has just been reappointed by the present government, that I should not want to raise those issues once again.

When Mr. Gordon was given a new term of office, a short while ago, he showed a lot of goodwill and wrote a letter to the Prime Minister to assure parliament that the only reason for his seeking another term of 17 or 18 months was to balance the company's budget before retiring.

I think all hon. members will agree with me that it is unfortunate that Mr. Gordon should have waited so long to express the desire to balance a budget which has been in the red since he took over his present position.

Mr. Speaker, there are other comments I should have liked to make, but I do not wish to refer again to personal incidents which have made Mr. Gordon internationally famous.

However, I must congratulate him for promising to improve the French Canadian representation on the board of directors and among the staff.

As a matter of fact, it will be recalled that, before the Conservative party came to office, there was not a single French Canadian among the directors of the company. And here I wish to pay special tribute to the leader of the Conservative party who, as soon as he took over the government of this country in 1958, complied with the wishes and requests of the Quebec members and improved the French Canadian representation on the board of that company, a fact which the province of Quebec did not fail to recognize.

We hope that the progress of this exchange between the country's two ethnic groups will not only continue but will increase, in order to further national unity.

Mr. Speaker, another problem that the committee should study concerns the relation of the C.N.R. with private transport companies. For a number of years already, the C.N.R. has been competing in an illogical and abnormal way with private transport companies. Many briefs have been submitted to the government authorities in that connection and we hope that the committee will study the results of the disastrous competition the C.N.R. is waging against private companies.

Mr. Speaker, everyone knows that when the C.N.R. shows a deficit, it resorts to government grants. On the other hand, when the operations of a private transportation company show a deficit, the company cannot do the same and it must make up for the deficit by personal loans or by committing its future.

I trust that the members of the committee will take under consideration this problem which must definitely be settled.

Mr. Speaker, when Mr. Gordon stated in his letter to the Prime Minister, that he intended to balance the budget of the C.N.R. before he leaves, I am of the opinion he took too much credit, since the former minister of transport, the present member for Three Rivers (Mr. Balcer), had already placed before the house, namely on December 4, 1962, proposals that would make it possible to balance the financial situation of the C.N.R. and the C.P.R. on a long term basis.

As the then minister (Mr. Balcer) said on that occasion—and at this stage I want to pay tribute to him—he had suggested to Mr. Gordon some ideas and instructions which would eventually enable him to balance the budget of this crown corporation.

The C.N.R. system includes a large number of business concerns whose operations, in my opinion, go against the principle of private enterprise which we, members of the Conservative party, have always advocated.

I find here, in the 1962 C.N.R. annual report, on page 20, a list of all kinds of companies which are owned by this national system; there are about forty of them, many of which are trusts. For instance, I see here The Canadian National Railways Securities Trust, Eastern Transport Limited, Montalta Holdings Limited, Mount Royal Tunnel and Terminal Company Limited, Central Vermont Railway, Inc., in short the names of a whole series of companies which, in my opinion, should not be owned by a government transport system because they come in competition with private companies, which are the very basis of our economy, and it weakens them.

A few years ago, the Quebec trucking association objected to the purchase by the Canadian National Railways of two Canadian trucking companies, that is the Midland Superior Express Limited and another one whose name has slipped my memory—

**Mr. Beaule:** The Husband.

**Mr. Valade:** The Husband Transport Limited. Representations made at the time were well founded and the then minister of transport promised to consider the problem. Unfortunately, the events mentioned by the minister a while ago—the election—have postponed the investigation. I hope that during this session, the committee will call the people concerned with truck transportation, highway transportation, with a view to bringing about a solution and preventing the state from competing directly with private enterprise.

There are indeed in this connection many questions to be discussed, the implications of which the committee will have the opportunity to investigate thoroughly when it will sit.

I would also like to draw, the attention of the house on the fact that there is another company which is a crown company, and which is known as the Canadian Overseas Telecommunications Corporation. Here again we find that, unfortunately, there is only one French Canadian out of ten directors. Yet, the head office is located in Montreal, in the province of Quebec. I would like to mention incidentally that I do not question at all the qualifications, the loyalty, the trustworthiness of the other directors of that corporation, but it seems to me that French Canadians should be given greater opportunities so as to be able to make the most of themselves in that company.

Besides, I think the committee should study certain matters which the minister did not want to raise but which come under the terms of reference of the committee. In particular,

I should like to stress that it is important for the committee to study the proposed abolition of tolls on Champlain bridge.

It will be recalled that it took the Conservatives little time to abolish tolls on Jacques Cartier and Victoria bridges, a step which the Liberal party had been promising for 22 years. If the Conservative party fulfilled that promise, it was not as a matter of political expediency but rather because it was a matter of necessity.

**Mr. Beaule:** May I ask a question to the hon. member for St. Mary?

**Mr. Valade:** The Conservative party realized how important it was for the development of the Canadian metropolis to have access roads to ease the flow of traffic between the two shores of the St. Lawrence river.

If my friend the hon. member for Quebec East wants to put a question, I shall answer him.

**Mr. Beaule:** Could the hon. member for St. Mary tell me for what purpose the Conservative government had set up an automatic toll system if it intended to remove it afterwards, if not for a political purpose?

**Mr. Valade:** I am very pleased to answer this question.

As everybody knows, Montreal harbour is administered by the national harbours board, an organization made up of the province, the city of Montreal and the federal government, each sharing one third of the responsibilities, the obligations and the profits.

When the Conservative government assumed office, certain members of the national harbours board were against the removal of tolls on Jacques Cartier and Victoria bridges. That is when it was decided to establish an automatic toll system, not by the government, but by officials of the time, under some authority that I know nothing about. I think I can take to witness the director of the national harbours board in Montreal, Mr. Beaudet, who stated, when we abolished tolls on the bridges, that it was a very bad thing for the city of Montreal and the province of Quebec. We questioned this opinion but that is the view he held. Since Mr. Beaudet is harbourmaster, I feel that his opinion certainly influenced the decision to levy tolls.

As a result of the pressure brought to bear by the Conservative members of Montreal and the province of Quebec, we finally succeeded in eliminating red tape and convincing the government that it was in the interests of the city of Montreal and the province of Quebec to abolish tolls on the Jacques Cartier and Victoria bridges. This was due to our efforts and far from being a political move, it was a sensible and intelligent administrative step.

I hope that the hon. member for Quebec East who asked me a question is satisfied with my answer and that he will approve my suggestions to ask the committee to consider the opportunity of removing tolls on the Champlain bridge.

This question is all the more urgent because, we are organizing the great world fair of 1967 and that, at the present time, the traffic on the two access roads to Montreal from the south shore is much too heavy.

During peak hours, traffic is tied up on both the south and north approaches of that bridge, causing a tremendous bottleneck. I feel it is in the interest of the metropolis and of the world fair that tolls be abolished on the Champlain bridge.

In fact, I should like to remind our Liberal friends of the promise they made in that connection during the election campaign. All Liberal members from Montreal promised that the tolls would be abolished on Champlain bridge if their party was elected. If they were sincere, I hope the Minister of Transport will recommend the abolition of the tolls to the committee.

[*Text*]

**Mr. McIlraith:** I do not want to restrict the hon. gentleman, but I do not know what the bridge under the control of the national harbours board has to do with the motion which is before the house. I just do not see the relationship between the subject matter under discussion and the motion before the house.

**Mr. Valade:** I do not know whether the minister is raising a point of order, but if he is I must say that he has not read the resolution. My copy is in French, but when I look at the English translation it refers, among other things, to:

—and such other matters as may be placed before it—

**Mr. McIlraith:** That is right.

**Mr. Valade:** I think the communications and the bridges fall under the responsibility of the Minister of Transport. Perhaps the Minister of Transport does not want this question to be discussed, I do not know, but—

**Mr. McIlraith:** That is not the point. The motion is quite clear in its language, and there is no possible way of connecting or relating the activities of the national harbours board to this motion to set up a committee to examine into these matters.

**Mr. Diefenbaker:** Certainly there is.

**Mr. McIlraith:** The Leader of the Opposition says certainly there is. He is a good enough lawyer to know that is not the fact. There is no possible relationship, and if he

reads the motion he will see that it relates to a committee on railways, air lines and shipping—

—owned and controlled by the government... to consider the accounts, estimates and the bills relating to the Canadian National Railways and Trans-Canada Air Lines and such other matters as may be placed before it—

—and so on.

**Mr. Diefenbaker:** And the hon. member wants this matter placed before it.

**Mr. McIlraith:** If the hon. member is going to argue that any matter that anyone cares to suggest could be referred to the committee can be debated on the motion to set up the committee, then I suggest that proposition is untenable.

**Mr. Pugh:** On a point of order, Mr. Speaker, when the minister was speaking in introducing the resolution I wrote down at the time, because there were one or two things which I might want to comment on, his exact words, and he referred to "the whole field of transportation". "The whole field of transportation" certainly covers all forms of transportation across those bridges in Montreal.

**Mr. McIlraith:** I did not make any such reference.

**Mr. Valade:** Well, Mr. Speaker, I do not know what is your decision, but it seems to me that my remarks fall within the scope of the resolution, and if this bridge is really annoying to the communications between the minister and his party, perhaps he will abolish this difficulty between his party and the organization. But I suggest that I am within the scope of the bill. I was making the suggestion that when the committee is organized it should bring this subject forward for discussion and call witnesses to study these matters. I do not know why my remarks should fall outside of the realm mentioned by the minister.

[*Translation*]

Mr. Speaker, I can easily understand that my remarks should slightly annoy the minister because he is faced with his colleague's promises which are irresponsible and impractical like many others.

However, I feel that this question is vitally important for the economic development of Montreal. In my opinion, the minister would do well to accede soon to the requests which were made to him in that connection.

Mr. Speaker, there is another point I wish to make and I am wondering if the minister will not again rise on a point of order. I maintain that Montreal harbour and its approaches are the responsibility of the Minister of Transport. It then follows that I would be pleased if the committee could examine the possibility of Montreal becoming a winter port, that is to say a year-round port. I realize there are difficulties involved. There are natural seaports such as the one to be found in Halifax or Vancouver. But Montreal has a harbour which is the gateway not only to the sea but to several inland provinces. I suggest the government should submit the matter to the committee.

The question is an important one. The former minister of transport, Mr. Hees, had given some thought to Montreal harbour becoming a winter port. I hope the minister will make it a point to suggest to the committee to hear witnesses who will no doubt have some interesting things to say on that matter.

Moreover, some time ago, the city of Montreal and the province of Quebec complained about an important decline in maritime traffic due to the fact that they did not participate to a sufficient extent in the administration of the national harbours board's business.

I do not know if that matter falls under the jurisdiction of the committee itself, but I take this opportunity to point out to the minister the representations made in that respect as well as the requests made by the city of Montreal and the province of Quebec to have more say in the administration of the Montreal harbour.

Mr. Speaker, there are many other questions I could deal with now, but just now, I hope that the minister will take steps to ensure that the committee will consider also the whole question concerning the water and highway transport system in Canada.

For many years already, national organizations have urged the Minister of Transport to revise its entire maritime policy and I hope that we shall have the opportunity, as we sit on the committee, to examine those questions in the light of experts' knowledge as well as of the suggestions that will be made by the members of parliament.

[*Text*]

**Mr. D. M. Fisher (Port Arthur):** The motion before us has been on the order paper for a long time, but I must say that in my opinion bringing it forward at this time is as suspect as almost anything which has come before the house. The minister knows there is a committee on railways, canals and telegraph lines which usually overlaps in terms of membership and interest with this particular committee, and that this committee is at the present time involved in considering subject matter for legislation. We also have a couple

of private bills including pipe line bills coming before us, and now practically the same personnel are going to be involved with this annual report. It almost seems to me a deliberate attempt to put on pressure in order to get through the C.N.R.-T.C.A. reports at a time when the committee is considering other matters, one of which has a close relation to the discussions with Mr. Gordon in the field of railroading.

I think it needs to be remembered that both direct and informative since he has taken over this portfolio; and I feel that any initiative which the government may have had in the transport field when it took over, with the good will that was there, has been dissipated because we have been given so little information as to government policy.

I think it needs to be rememberd that both the C.N.R. and T.C.A. fall under the umbrella of transport policy. We have no idea where this government is going or what its intentions are, and I defy anyone to find out its intentions from anything the minister has said in the house. We have a general idea that the recommendations of the MacPherson report are going to be brought in. We do not know what the intent is. We do not know which part of it will be taken. We have no idea where the government stands as to the whole relationship between T.C.A. and C.P.A., the whole idea of one national air line wing. We have no conception where the government stands on its policy toward trucking by government owned railways. We have no idea what the policy is with regard to shipping and our merchant marine, which is of course involved with the Canadian National Railways which was once a shipping company of some substance.

The general impression we have is that it could be one of two things. It could be the fact that the government has no policy of any kind in this area and is simply postponing and delaying on the basis that the only possible approach to transport matters is an empirical one. Or if you do not want to go even that far, it is a pragmatic one; in other words you go from day to day without ever setting out any clearcut line. Or perhaps it would be, and this would be the idea of the more hopeful ones among us, that the minister is very busy with his officials and is at some time going to blossom out with a completely new and radical policy and we shall have put before us a new transportation policy for the whole country.

**Mr. Pickersgill:** Could the hon. gentleman tell the unlettered among us what the difference is between a pragmatic approach and an empirical approach?

**Mr. Fisher:** Yes, I would be glad to do that for the unlettered among you. An empirical approach is based on examination of a process known as the inductive process whereby you look at a number of things that have happened and come to a conclusion that there is where the trend goes. You arrive at a deduction from the inductive process, and so you have carried out something empirically.

**Mr. Pickersgill:** That is worthy of Paul Martin.

**Mr. Fisher:** I think if the hon. member will read it he will understand it. A pragmatist is someone who does not take that deductive step to a conclusion. He goes strictly from point to point. In other words he never gets out of the inductive process. I am sorry to make this aside to the hon. member for Bonavista-Twillingate, but if he wants to know the definition I suggest he is a complete pragmatist and the hon. member for Essex East, the minister for external affairs, is what I would call an empiricist.

**Mr. Pickersgill:** I go from point to point, like a railway.

**Mr. Fisher:** The shock we had when the hon. member for Ottawa West was made Minister of Transport was really not shock at any question of his ability or competence to take over such an important field where the burden of administration and the need for policy decision are so great, as that someone should have been chosen who had taken so little interest and who had followed, from all I can find out in the parliamentary record, almost no avenue in the transport field at all.

I consider that this is the most important of the administrative departments of government. I think in many ways it is the most difficult one. I cannot, like hon. gentlemen to my right, postulate a golden age when Mr. Hees or the hon. member for Three Rivers (Mr. Balcer) was in charge of the department. I do not feel it was any golden age. But if I can get back to the period before the war and immediately after, it seems to me our transportation policy did have some purpose even if it wound up being debilitated by royal commissions which never really came to any decisions.

In recent years we have had a long public debate on transport issues. I disagree with many of the recommendations of the MacPherson commission but I am prepared to admit, and my colleagues in the main are prepared to admit, that many of the recommendations of that commission are acceptable at the present time despite the fact that the previous government claimed it had legislation; that this legislation was ready; that it had been worked out in consultation with

various groups including Mr. Gordon and Mr. Crump and with all the associations involved. The fact remains that this government was elected in April; here we are in November, and last week it was indicated by the Prime Minister that we would have to wait a good bit longer still. I think this is as unsatisfactory as the fact that this week we shall be examining the two annual reports of these crown corporations while at the same time there is another almost due.

I want to make some comments about the reappointment of Mr. Gordon. Mr. Gordon told us last year that he was born in December, 1901, and I think those of us who have had any contact with him are quite aware that he seems to be a healthy man. There is no evidence of approaching senility. He is a very vigorous person, and he still seems quite able to state his views and his ideas very positively.

**Mr. Knowles:** He is like the member for Port Arthur in many ways.

**Mr. Fisher:** That is just size. Mr. Gordon has been reappointed with a time limit placed upon the appointment. I assume this is a bargain that has been struck because of differences within the Liberal party and the government, and I can sympathize with their differences because I know that somewhat the same differences existed in the previous administration with regard to Mr. Gordon. But the point is that if the 18 months limitation means anything, Mr. Gordon will be retiring before he reaches the normal retirement age of 65, and it would certainly seem to me that it would be a retirement before he had exhausted his capacity for service.

Personally I am delighted that the Canadian National is going to see the end of Mr. Gordon in 16 months from now or 18 months from the date of his reappointment, but I do feel that in this period the government should be giving a great deal of consideration to whom his successor is going to be. I suggest that a considerable amount of care needs to be taken in the selection, and I think it is worth while suggesting to the minister that the appointment should not be a political one in any way, and that whoever is appointed it should not be someone who is committed at the present time either to one side or the other in the whole matter of labour and management; because one of the great challenges of the next president of the C.N.R. is the whole matter of relations with labour within the company. There will need to be a tremendous effort to uplift the morale of the employees and get better co-operation from the workers of the railway than Mr. Gordon has been able to achieve.



I think the matter requires a great deal of consideration, and I mention it because I have been shocked, and I hope many other members of parliament have been shocked, by the rather loose speculation that the present Minister of Justice is being considered as a potential president of Canadian National Railways. I can think of nothing that would serve to accelerate the destruction of Canadian National Railways more than such an appointment. I do not say this in order to make fun of the Minister of Justice. It is just the fact that neither his background in transport nor his political connections are the kind of thing that we want in the man heading this important crown corporation.

The main criticism we have had of the operations of Canadian National Railways in recent years has centred on the fact that despite the tremendous amount of money that has been poured into the railway by the taxpayers, the debt of the railway has gone up somewhere in the neighbourhood of $1,600 million. I believe the annual interest burden has gone up from around $120 million a year to approximately $380 million a year.

Throughout his regime as president Mr. Gordon's argument has always tended to be twofold. If the structure of Canadian National Railways could be modernized, then it would become a going concern and he would be able to show lots of black ink in the books. If hon. members will look at the last page of the C.N.R. annual report, where there is a 25 year synoptical history of Canadian National Railways, they will see that in the period of Gordon's presidency there have been only four years when the railway was not in the red, and in recent years the annual deficit has been substantial. I have been somewhat amused by the fact that in the part of the 1961 report, for example, under the heading "The Outlook" there is this sentence:

> The 1961 financial result was a cause of deep concern to the board of directors and the management. Over the past several years, despite the most resolute and intense efforts, Canadian National operations have resulted in successive and substantial annual deficits.

Then it goes on to say:

> There are, however, some hopeful signs which could lead to an opportunity for the system to bring a break-even position within its reach.

Then we go to the 1962 report and we find the following:

> The foregoing report records improvements, additions and service changes to C.N.'s complex plant and facilities. It is significant to note, as well, that the new form of administrative organization, now in its third year, has contributed to the improved sales showing and is considered to have brought a new spirit of enthusiasm throughout the system. The organizational structure, which emphasizes local responsibility, is producing more flexible operations tailored to customer demand. The board of directors

and management, however, feel that the true impact of the accomplishments of 1962 and prior years, which produced a major rehabilitation of the property, is obscured by the heavy burden of long term debt. There is a marked divergence between what might be termed the "service result" and the "bookkeeping result".

In other words, what Mr. Gordon has been trying to tell us is that we have a good, going operation from a service and equipment point of view, but that it is never going to look worth a darn unless the railway can get the huge annual interest burden and the big debt off the books. Here again it would be interesting to hear from the minister—I hope before the committee—what he plans to do in this regard. After all, I believe it is 18 months since Mr. Gordon made his presentation to the ministry in regard to this very question.

When Mr. Gordon is not blaming the heavy debt structure for the poor annual operating picture in terms of revenue he is blaming those hungry people, the railway workers, and saying that any gains that are obtained by Canadian National Railways are chewed up by the insatiable demands of the workers when they enter into contract negotiations. It is worth reflecting that right at the moment Canadian National Railways, like Canadian Pacific Railway, has before it demands from almost all the unions that have contracts with management, and these demands are again going to be of considerable size in terms of both wages and fringe benefits. I think these are necessary demands, because in my view they reflect the needs of the railway workers to keep up with increases both in wages and in fringe benefits in other areas. Just because railway workers are scattered across the country in so many communities I think they should be the bellweather of our whole labour force and its wage rates.

But the excuse of heavy debt and the excuse of the insatiable demands of labour have never really been met, it seems to me, by Mr. Gordon in his presidency. It seems to me the reason is that Mr. Gordon has never really been able to make up his mind what he wants to do with Canadian National Railways. I insist that the Achilles heel of Canadian National Railways has simply been the fact that Mr. Gordon has played around the idea that if he only had the money to invest he could have a money maker, and the fact that we as politicians and the country as a whole make demands upon the Canadian National transportation system that defy and go against the whole opportunity of having that kind of enterprise. We see other examples of this. Right now, my colleagues from Winnipeg are raising cain over the movement of the T.C.A. depot to Montreal. Hon. members from Montreal are getting up and suggesting the government ought to saddle T.C.A. with what I think is, in modern times, an archaic aircraft, the Caravelle.

However, these things are done, and the intentions of hon. members are of the best in terms of their own area and the objectives they want to achieve. Well, you could multiply examples like those on the railroads, particularly the Canadian National Railways, a dozen times. I have always felt that every hon. member who took an interest in railroading should read Colonel Stevens two-volume work on the Canadian National and how it developed out of the Grand Trunk and the Intercolonial. They would see so many examples contradicting the possibility of operating the Canadian National Railways as the kind of free enterprise of which Mr. Gordon dreamed, showing black on the books.

In other words, Mr. Speaker, I think the fundamental mistake of Mr. Gordon has been to kid himself and to kid the country that it will be possible to achieve this kind of operation. One of the interesting things that happened when these two corporations were before this committee last year, was the evidence of Mr. McGregor, the president of T.C.A. He was being pressed with regard to the financial picture of T.C.A., which last year was not good. He was explaining that T.C.A., unlike C.P.A., was carrying a whole bunch of what he called social routes, and came up with this particular answer about social routes:

I do not know whether C.P.A. will move into the black in 1963. I know Mr. McConachie said so, but I also know that he has said the same thing about other years when he did not move into the black.

T.C.A. however could move into the black in 1963, with the rider, however, which is most important, that there will be no further encroachments on our traffic position. There are three or four routes now under application by C.P.A., so I would like to stress the absolute need for the rider that our calculation concerning the 1963 operating position is based entirely on no worsening of our competitive position.

Now, about the social routes, so-called, many of these are operated by T.C.A.

One can think of a number of them, such as Windsor to London, Vancouver to Victoria and some of the maritime lines. Then, Mr. McGregor goes on:

Whether or not they move them from black to red is really of no great importance. If the company is black with the social routes, then it would have been blacker without them. Without the social routes the ability of the company to reduce fares would have been greater than would be the case if the social routes are depressing net revenues.

I have recognized that many of these social routes have to be operated in some way or other—a place cannot just be thrown to the wolves so far as air transport is concerned, simply because it does not have the ability to generate enough air traffic to keep a line alive, particularly if it is in a remote area or across water, or something of that

nature—I think it must be recognized that social routes as such, as long as they are operated are a drain on the finances of the company. However if the finances of the profitable routes are such that they can support those social routes, and still not go into the red, probably everybody is happy.

This was the contribution Mr. McGregor made in pointing out that T.C.A. carries the burden of these so-called social routes from its more prosperous routes on which the jets and Vanguards fly. This particular principle has really never been to the fore in the thinking of Mr. Gordon about Canadian National Railways. He has always had his eye on the goal that some day, probably like Sir Henry Thornton or Mr. Crump or Sir Edward Beatty, he would be able to show a consistently black balance at the end of every year. Then, he would be able to feel he had proven that a government enterprise, in the competitive field, could do the job. I do not think it is possible, after looking at his record over these years, for this to be done. I would hope that in considering the next president of Canadian National Railways the government would consider that we need a president like Mr. McGregor who is willing to accept and put forward the possibility of carrying, if you will, social routes, the non-competitive part of the system, because this is part of national transportation policy.

It has always seemed to me that Mr. Gordon has been in conflict with this generally accepted idea in this country, the idea that the balance sheet is really not as important as the service that is supplied to the people.

Now, Mr. Speaker, one of the things I wanted to comment upon in connection with the Canadian National Railways is the position Mr. Gordon put the railway into with his appearance before the committee last year. I was sitting in the committee, and I could see what was coming when he shrugged off one of his assistants and made that answer to the hon. member for Lapointe (Mr. Gregoire) that led to the fuss and furore over French Canadians who worked for Canadian National Railways, and the fact that none of the top executive positions in the company was held by a French Canadian. It seems to me that in this particular discussion, both those who felt Mr. Gordon was justified and those who were critical, would be well advised to draw away from the matter and leave it alone for a while.

I suggest this for two reasons. First, it seems to me there is an indication of some new efforts on the part of Canadian National in this regard. They are going to do their best to meet the requests and demands of the French Canadians to have better representation in the system at all levels. Second, if these people do not leave the subject alone I fear that there will be, within the personnel of the railway, an extremely strong reaction, particularly in that portion of the Canadian National which operates in a part of the country remote from large groups of French Canadians. I put this idea forward to my colleagues in the house, rather than to the Minister of Transport (Mr. McIlraith).

I find that Mr. Gordon's popularity with the majority of Canadian National workers has never been extremely high, but that it has improved markedly as he has been under pressure over this matter of employing and advancing French Canadians in the railway. I would hope that both the president and the railway would have an opportunity over the next year or two to show their good faith without the consistent harping pressure, for example, based upon whether a conductor's hat is lettered in French words or English words.

One of the other points in connection with Canadian National Railways has been touched upon by the hon. member for St. Mary (Mr. Valade), and that is the trucking operation of Canadian National Railways. One of the anomalies, it seems to me, of the recommendations of the MacPherson royal commission is the emphasis on competitive modes of transport. The essence of the MacPherson recommendations is that there should be intense competition between competing modes of transport. Nobody has really looked at the point, Mr. Speaker, that both the Canadian National and Canadian Pacific Railways have competition in all the modes except, I suppose, pipe lines and passenger automobiles. If the object is real competition between the modes, then it surely seems to me that when monopoly ownership jumps from one mode to the other, that is the real danger to any fruition of the competitive principle.

Mr. Gordon was broached on this last year before the committee, and to me his statement just did not make sense. This is a quotation from page 54 of the committee proceedings where I had been questioning him. He said:

I will put it this way. In every mode of transport that we can see as being feasible to use for the purpose of handling traffic and to give our shippers service, and in respect of which we can make some money, certainly we will use anything.

I asked him:

Do you see any conflict at all between the transportation policy that emphasizes competition and the role that you play in providing a public service in an area which is not now and likely never will be on a competing basis?

Mr. Gordon said:

I do not see anything wrong with that. The commission says quite definitely—and I am speaking from memory—that the railways will not be and should not be expected in the future to provide any services which would mean that they lose money on it; but they go on to say that if

there is any, whatever the service may be which the board of transport commissioners finds on examination is required in the public interest, then that service should be continued by the railways and should be paid for by supplementary subsidies. So, the commission is perfectly consistent in saying that the railways should not provide any transportation that loses money. I repeat that if a particular service is regarded as being in the public interest, then the commission says flatly that the railways should be compensated for their losses.

I do not say he did it deliberately, but in effect Mr. Gordon evaded the point, that if you are going to have competing modes of transportation how does it bear with both major railways in the country, involved in the major modes of transportation? How can you have genuine competition unless you look forward to the extension of these giants, particularly in trucking, 50 per cent owned by C.P. and 50 per cent by C.N.? That is the direction in which truck ownership is moving, and that is why a lot of trucking people are worried.

The royal commission suggested that trucking is such an easy mode to enter, that the amount of capital required is so little, that there will always be a truly competitive factor there. I do not think this is so, because I do not think the capital requirements are that small. In fact it seems to me they are increasing. But even more, what is required in trucking is the obtaining of a franchise and the control of a franchise.

Not one of the provinces at the present time is opening up any of these franchises, and there are a great lot of interceders when there is a franchise. In other words, it is not wide open, and it is exactly there where the C.N.R. and C.P.R. are bringing to bear the pressure of their immense capital resources to obtain routes, and also the legal services they have to appear before provincial boards, such as the one in Quebec, in order to extend their operations.

I suggest there is a real conflict here between the recommendations of the MacPherson report on competition, particularly since we are involved in this as politicians, and the extension and permeation of the trucking business by the C.N.R. This is something we need to examine quite closely when we look at the operations of the C.N.R. in the committee.

There is one other point I want to touch on in connection with Canadian National Railways problems. There is a tendency, because of the abruptness and directness with which Mr. Gordon speaks, that when he comes out with a major pronouncement it gains considerable approval, particularly in our business press, and the critical reaction that follows is usually slow and not nearly as effective.



One of the things Mr. Gordon did over a year ago was to go into western Canada and make a speech about the handling of wheat in western Canada. He suggested Canada was 50 years behind the times, and we needed to revert to a master plan. He outlined how that master plan would work, and ever since then the prairies have been kicking; but I do not think they have really caught up with the masterful case that sounded so simple and attractive when Mr. Gordon put it forward. For that reason I want to put on the record some comments from the northwest line elevators association in criticism of this master plan. I think this points out some of the reasons we need a master transportation policy that is controlled and directed by someone in the federal government.

I had this letter in December last from Mr. Lamont, president of the northwest line elevators association in which he says:

Mr. Donald Gordon, president of Canadian National Railways, recently appeared before the House of Commons committee on railways and during the course of his examination Mr. Gordon made certain statements relating to the grain elevator handling system of western Canada. His statements before the committee were along the lines of a recent address made by him before the Canadian club of Winnipeg on the same subject, copy of which we have read.

We do not feel that Mr. Gordon's statements were made in the light of informed knowledge of what has actually taken place in the elevator trade of western Canada.

In other words, Mr. Gordon did not know what he was talking about.

For this reason we have written to Mr. Gordon and we enclose for your information, copy of the letter directed to him under date of December 7.

I have that letter here, and I just want to make the point that the letter contains a number of quotations from Mr. Gordon's remarks. Here is one of his remarks:

The system of grain handling established before the first world war—the collection, storage and transport of the prairie crop—has changed very little.

Here is another:

Many of the existing country elevators are now well below the optimum size for the best economic costs of operation and also for the most economic cost of transshipment by railways.

Here is another quotation:

The second factor involves the economies that can be obtained through a program of elevator consolidation that would eliminate those existing elevators that are operating well below the size required to ensure the lowest cost operation.

Another one is:

Elevator consolidation on main lines would enable the railway to pick up more cars at one time and reduce transportation and switching costs.

Then the letter continues:

The press report of your appearance before the railways committee said that Mr. Gordon was expanding on suggestions on grain handling he made in a speech to the Winnipeg Canadian club in September.

Then the association goes on to point out its experience in the grain business. It says they have been in operation since 1899 and have had a considerable share in this elevator traffic. Now I want to put down some of the points they concluded with, in connection with Mr. Gordon's suggestions. They said:

Would your proposed system of main line "master elevators" serve the farmer more efficiently and at less cost than existing elevators?

We feel sure that this would not be the case for the following reasons:

1. The farmer would have to haul his grain longer distances to market and every additional mile brings added costs in gasoline, wear and tear on trucks and man-hours consumed going to and from the elevators.

2. If the farmer, through branch line abandonment, was forced to haul his grain double the existing average 10 mile haul to market, it would cost him an additional five cents per bushel to market his grain. This would be equivalent to a freight rate increase of 42 per cent based on present average freight costs of 12 cents per bushel.

3. You do not make it clear under your plan whether the government or the railways propose to compensate the farmer for the additional haulage costs. If you do not, then you are in effect increasing the farmer's freight costs by 42 per cent. If you do, then the cost would have to be borne by the taxpayer and as a taxpayer the farmer would participate in these added costs.

These sound like pretty good arguments to me.

4. The farmer would be faced with long waits for his turn to unload his truck at the "master elevator". This could only be overcome by building plants that would be equivalent in most aspects to a terminal plant except in size, and the costly nature of the workhouses would not be compensated as at terminal points, through spreading it over large capacity.

5. Under existing conditions of elevator operation, the country elevator agent assumes the capacity of local manager and in periods of heavy deliveries operates his elevator for long hours to serve his customers. At a central "master elevator", located many miles from the farm, the manager-customer relationship would be lost. Hours of delivery would have to be regulated or two or three shifts would have to be engaged, all of which would add to the cost of handling grain.

6. Grain elevator storage charges today are the same rate as they were in 1912. Elevation charges on wheat have increased only one and one quarter cents per bushel compared with 1912, with similar percentage increases for other grains. We do not know of any other non-subsidized industry with such a record for holding down its charges. These charges could not be maintained under your plan.

Then the last two points deal with the fact that royal commissions have investigated grain handling in Canada many times since 1899:

Invariably they have commended the efficiency of Canada's grain handling methods. Where improvements have been recommended, they have been adopted.

[Mr. Fisher.]

Point 8 is this:

You have dealt too lightly with the time-consuming factor whereby the farmer, under your scheme, would have to spend much more of his time delivering grain. During the farming season the farmer's time resources are pressed to the utmost. The fact is that the labour situation is such in the large farm units of today that there is no spare help, and the farmer's own time is fully occupied.

That pretty well concludes the main arguments against this master plan of grain delivery. I wanted to put this on the record, not because I am tremendously interested in this problem—because I do not represent a prairie constituency—but the Gordon approach here is identical with the Gordon approach with regard to the changes that have been made on the railway in spending this tremendous sum of money for dieselization, central traffic control, all these master agency schemes and the new build-up of the organization where he is decentralized and has chiefs all over the place. The Indians on the railway are disappearing very quickly, but we are getting a great many more chiefs. The whole burden of Mr. Gordon's arguments throughout all this change is that he is going to create a more efficient railway and cut down costs. I suggest that he has had 12 years to prove what he can do, 12 clear years, and yet look at the situation in terms of the debt and interest charges of Canadian National Railways. In the process, this kind of approach manages to damn the man who works on the railway; he wants too much; he is inflexible; there are too many unions; they are not co-operative enough; they get in management's way. I suppose that in so far as this master plan of grain delivery is concerned, it is the farmers in the west who are the nuts and obstructionists now.

In other words, I am trying to suggest that in Mr. Gordon you have an able, hard working, even overbearing president who has been charging down various lines to create an efficient operation almost on the perfect free enterprise or private enterprise model. He has mistaken the real purpose of what the Canadian people want out of their government-owned railway. In the process he has managed to heap—I can think of an obscene word—opprobrium, let us put it that way, upon the working force on the railway, and in this particular case he seems to be doing it with the westerners, the farmers and the whole grain organization they have built up. I want to bring this to the attention of the house and my colleagues because I hope they will join with me in quizzing Mr. Gordon on these points when he comes before the committee.

**Mr. Gregoire:** Mr. Speaker, may I ask a question of the hon. member?

**Mr. Fisher:** Yes.

**Mr. Deputy Speaker:** Order. I might mention that the hon. member had exhausted his time when he sat down. However, a question may be asked of him with the unanimous consent of the house.

**Some hon. Members:** Agreed.

**Mr. Gregoire:** The hon. member for Port Arthur (Mr. Fisher) mentioned in his speech a few moments ago that it would be preferable not to talk about the bilingual problems on the C.N.R. this year, now that the C.N.R. is making progress. Does not the hon. member believe that if there is progress being made it would be far better to put this matter before the people of this country so they will realize that progress has been made, and be glad about it?

**Mr. Fisher:** Mr. Speaker, the hon. member misinterpreted my remarks. I was the first member to raise this whole question of the fact that the C.N.R. had 17 vice presidents and not one of them was French Canadian. I was the first member to do this, to my knowledge, publicly. This happened three or four years ago. It was when my hon. friends from the Social Credit party arrived in the house and, in this "hell bent" way of theirs, in order to rectify all the grievances that have been accumulating amongst French Canadians for generations, took this matter up that it was made the issue that led to effigies being burned, hanged, and so on.

I am really saying to them, in essence, that they can go too far in this kind of belabouring of an organization. In a sense they have made their major point. Now for God's sake leave it alone for a while, because I am telling them that there are two sides to this argument—I do not mean two sides in justice, but two sides in prejudice—and if they keep on hammering at it they will raise some prejudice that is going to bowl them over whenever the pendulum comes swinging back. Now, that is my opinion.

**Mr. Gregoire:** Mr. Speaker, I have just one more question. I fully appreciate the point of view put forward by my hon. friend from Port Arthur—

**Mr. Deputy Speaker:** Order. I mentioned just a moment ago that the hon. member for Port Arthur (Mr. Fisher) had exhausted his time. I am wondering whether it is the wish of the house that we continue with these questions.

**Some hon. Members:** No.

**Mr. Deputy Speaker:** The hon. member has not unanimous consent.

[*Translation*]

**Mr. Jean-Louis Frenette (Portneuf):** Mr. Speaker, I never thought that the resolution now before us would give rise to such a protracted debate and to such long speeches as those of the two previous speakers who expressed their views in the matter. I was under the impression that this resolution merely gave us an opportunity to say whether or not we were in favour of the setting up of the proposed committee.

Nevertheless, the brilliant remarks of the members for St. Mary (Mr. Valade) and Port Arthur (Mr. Fisher) have given us an idea of the magnitude of the problems facing the members of the committee.

The problems are many, even more numerous than ever, and I believe that it will be in order, during the discussion, to take into account those problems, which are increasing all the time.

The hon. member for St. Mary mentioned a particularly important aspect of one of those problems, namely establishing a parallel between public enterprises and private ones. In this regard, I am glad to tell him that I hold identical views and I will point out, if I may, to the hon. members who will sit on that committee that they will have to take into account the present requirements of private enterprise as against those of the crown companies.

The hon. member for Port Arthur stressed that point also when he spoke of the apparent conflict between the various transport industries and that crown corporation, the C.N.R., especially in the province of Quebec where the trucking association repeatedly made representations of all kinds.

In my opinion, the sessional committee should hear the spokesmen of the trucking association since truckers will undoubtedly have well-founded grievances to make.

Following the ever increasing number of labour problems, there is growing unrest among certain employees of the C.N.R., T.C.A. and other crown corporations which operate transport facilities. I feel that members of the committee would also have the opportunity to look into that situation, inquire about workers' grievances and seek what solutions are being advocated by the heads of those crown corporations.

The problem of automation in the C.N.R. is becoming increasingly serious while assuming greater proportions. As a result, there are fewer jobs for the workers who, at the very beginning, were happy to work for the C.N.R., believing that they were not only getting good pay but also a great deal of security which enabled them to face the future with confidence. But due to automation which is constantly gaining ground within the C.N.R., those workers are really concerned.

I think that the committee now under discussion should also look into this problem.

On the other hand, the problem of bilingualism has been raised. In fact, last year, during the meetings of the committee on railways, the matter was extensively discussed. The effects of some rather stormy meetings of the committee on railways were felt throughout the province of Quebec. We still hope to hear about these meetings, especially in the province of Quebec.

We are entitled to some representation within state bodies and we hope that what was undertaken last year will be continued, because whether we like or not, French Canadians are not satisfied with crumbs and wish to have their rightful share of these administrative duties, to the extent that they will be in a position to provide qualified personnel and I am truly convinced that they can do so.

Mr. Speaker, of course the committee has no intention to interfere in the administration of crown companies; its terms of reference rather empower it to suggest to the presidents of these companies such measures as might improve the companies' business and be beneficial to the whole of Canada. We know that all these problems are highly involved, and I am thinking particularly of automation, as applied by the Canadian National Railways. It is sometimes hard to reconcile public and private interest, but if all people concerned really wanted to pull together, it should be possible to find solutions which would serve the interests of the people at large.

**Mr. Robert Beaule (Quebec East):** Mr. Speaker, when we saw that the resolution of the Minister of Transport (Mr. McIlraith) spoke of a sessional committee on railways, we, on this side of the house, felt extremely pleased, because to us, that committee is of particular interest.

I cannot agree at all with what my hon. friend of Port Arthur (Mr. Fisher) said a moment ago, when he advised us to let the sleeping dog of bilingualism lie in the case of the Canadian National Railways. I think it would be wrong, because the dog has been sleeping too long. If things went on as they are, the president himself might go to sleep never to wake up.

First of all, I would like to ask the Minister of Transport if, during the hearings of the committee, we will have simultaneous translation or bilingual stenographers, so that any question we might direct to the witnesses would be published in the proceedings. I remember that last year, in the committee on railways, we had some difficulty in being understood, because the proceedings took place in one language only. This year, I hope the minister will see to it that we have simultaneous translation or bilingual stenographers, so that all of us will be able to express ourselves in our mother tongue.

In my opinion, if the C.N.R. has had large deficits for quite a few years, it is due to a lack of co-operation between departments. For instance, when several projects are started, quite a few remain incomplete; a certain number will be discarded because there is a danger of a washout. Let me explain. It will be recalled that when the C.N.R. bought diesel locomotives to modernize its system, they continued to build coal bins, repair shops for steam locomotives, so that when these shops and bins were completed, they were useless because diesel locomotives were in use.

The same thing happens in other areas. For instance, in the field of passenger transportation, a new kind of ticket is in use. That was tried out last year.

That is why I ask, as a member of the committee, that we should be informed of the changes made in the last year. The C.N.R. should inform us on the economic soundness of the new passenger rates. I think it is important for the members of the committee and the members of parliament to know whether the changes made by the crown corporation were an attempt to get more substantial income or if it was merely the trying out of a project which was finally discarded.

And when the Canadian National Railways decided to enter the cartage field, they had to give some consideration to private industry, as was mentioned by hon. members for Port Arthur (Mr. Fisher) and St. Mary (Mr. Valade).

The representatives of the trucking association of province of Quebec, made a futile effort to stop the C.N.R. from impinging on the trucking field in the province, and it is only because of repeated pressure by the trucking association that an agreement was reached.

We hope that when the committee is sitting, we will be able to ask the president of the Canadian National Railways every relevant question, and that his answers will be clear and to the point.

Mr. Speaker, I do not wish to delay the discussion any longer. We shall wait for the committee to be set up to get further information. We trust that the minister will consider our request, namely that bilingual stenographers be available for the committee sittings, or that a room equipped for simultaneous interpretation be used.

[*Text*]

**Mr. George Muir (Lisgar):** Mr. Speaker, we have been listening this afternoon to a very interesting and wide ranging debate on this resolution to set up a sessional committee on railways, air lines and shipping. This was, of course, to be expected because of the great complex of these public utilities under the control of the federal government. Their very existence under this control is meant to ensure that our far flung land and water areas can be knit together to form a cohesive whole. The value of binding the nation together with a modern transportation system I believe cannot be estimated in dollars alone. Unwillingness on our part to accept this fact could spell disaster for our country.

With this in mind I should like to discuss briefly with the committee this afternoon two single items now confronting our transportation system. The first is in connection with the proposed removal of the T.C.A. repair and maintenance depot from Winnipeg. The second is the matter of railway branch line abandonment. With regard to the removal of repair depots, there is always the danger under our federal system of a trend toward greater centralization. It is true this may make it easier for administrative purposes and it may even, in some circumstances, result in lower costs. However, the fact that Winnipeg lies on the trans-polar route would indicate that perhaps in the not too distant future that city will become one of the important air links in North American transportation.

The Winnipeg *Free Press* of June 19, 1963 had this to say:

> There are powerful arguments for the retention of the base in Winnipeg. Montreal is the air line's centre for servicing long-distance jets. The suggestion of the (Manitoba) delegation is that Winnipeg's base be converted to take care of the overhaul and maintenance of smaller, domestic jet aircraft which will replace the Viscount and Vanguard aircraft now in use; the base ought to be capable of taking care of larger aircraft as well. Furthermore, the removal of the base would be contrary to the national interest in respect to national defence and civil emergency policy.

If this trend toward centralization is to continue—and it is a trend which, because of defence and other considerations is highly undesirable—we may end up with two or three super cities gathering the industries of the country together to the detriment of the whole economy. I am not proposing that the question of the repair and maintenance base be studied by the committee as yet, because all Manitoba members expect the minister to announce his decision in this regard very shortly. They hope for a favourable decision, and their optimism is based on the remarks of the Liberal candidate for Winnipeg South Centre in the last election when, referring to a telegram he had received from the present Prime Minister (Mr. Pearson) he said: "This ensures that the T.C.A. maintenance and overhaul base will continue in Winnipeg". I realize the Prime Minister has denied he made any commitment in this regard, but the right hon. gentleman has said, as reported in the Winnipeg *Tribune* of May 21, that his party is committed to a policy of decentralized regional industrial and economic development. This policy should be a major consideration in reaching any decision on the T.C.A. base.

The second matter I should like to bring to the attention of the committee concerns branch railway line abandonment. Until such time as a complete analysis has been made of the prairie region and until a national transportation policy has been established to take into account the social as well as the economic needs of our people, it seems to me that any further abandonment of railway branch lines does not make good sense. This is particularly true since we have made these huge wheat sales to the communist countries. There is every indication that such sales will continue, at least into the foreseeable future. The decision of the former government to suspend applications for railway line abandonment opens the way for a more careful study by this government of this complex problem, should it choose to undertake such a study. The *Manitoba Co-operator* for January 10, 1963 had the following to say in this regard:

> The decision reached at the high level meeting in Ottawa January 4, with the railways suspending applications to abandon branch lines in western Canada, is a good one. It paves the way for a knowledgeable and sensible solution to the problem of rail line abandonment.

Another article which appeared in the same newspaper on September 5, had this to say:

> The approach to individual line abandonment must be made with extreme caution. A railway line is part of the economic and social fabric of an area, and the decision as to whether it goes or stays will have far reaching effects on the people of that area. At the same time, every branch line is a part of our over-all national transportation system which will be affected every time a line is abandoned. Because of this, and because of the many factors to be taken into consideration in planning a sound national transportation system, a broadly-based railway rationalization board is necessary.

The MacPherson royal commission stressed the need for co-operation between the railway companies, railway labour and the shipping industry in the creation and discharge of a transportation program, but it does not provide for the co-ordination of a program of line abandonment and grain handling consolidation. It urges that an agency of the board of grain commissioners, or another body named by the government, be made

responsible for the planning and control of a program designed to consolidate the existing grain storage and handling capacity so as to provide a more economic and better system in conjunction with possible changes in rail transportation. The commission was not required to deal in any detail with the problems presented by rail line abandonment, and it did not do so. But I think this leaves the western farmers wondering what is likely to happen to them as far as their future is concerned. Under the commission's findings the farmers could haul as far as 25 miles economically to an existing line. If this happens they agreed that perhaps up to 9,000 miles of prairie rail line could be abandoned. Take anything like 9,000 miles of branch line out of the prairie provinces and consider the number of towns and villages along those lines which would face economic disaster. I think careful consideration should be given before rail line abandonment is made on any large scale. The Prime Minister, speaking in Selkirk, Manitoba, on March 8, said that if elected a Liberal government would establish a committee of inquiry to investigate the effects of railway branch line abandonments. He added:

> The committee's report will be the foundation of a railway policy based on the best interest of all concerned groups and designed to maintain essential branch line services.

**An hon. Member:** That will be marvellous.

**Mr. Muir (Lisgar):** I hear someone say: "That would be marvellous". Let us hope it will be done. I also hope that the government, in considering branch line abandonment in the future, will give careful consideration to the important considerations which I have raised.

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I read in the paper that T.C.A. had chosen the DC-9. I feel that decision should be examined and even reversed by the cabinet, in order that Canadair, which needs contracts, may get them to provide work in a Quebec industry. That decision is all the more surprising when you know that the province of Quebec holds the dubious honour of having the highest unemployment rate.

I heard that the DC-9 is in part a copy of the original Caravelle. The company that drew the plans for the DC-9 had to pay royalties to the French company in order to copy, I think, some details for the DC-9's back ailerons.

**Mr. Speaker:** I am sorry to interrupt the hon. member and I do not want to restrict his comments unduly but he will understand, I am sure, that he must confine his remarks, as much as possible, to the need to set up a committee.

The hon. member may certainly refer to some problems which should be considered by that committee but he cannot go into all the details of these problems.

**Mr. Pigeon:** In my opinion the scope of the resolution is rather broad as it involves the consideration in committee of the T.C.A. and C.N.R. activities. It is a suggestion that I should like to offer so that the committee may reverse, if possible the decision taken by T.C.A. so that Canadair may obtain those contracts.

I shall give you an example of the significant effects on the labour market if Canadair were to get the contract for building 12 aircraft a year. It would represent an amount of $86 million in labour and materials, and, please take note of this, 11 million man-hours.

I would also like this question to be submitted to the committee.

I noticed that in French speaking newspapers, advertisements use the name Air Canada but in English speaking papers, Trans-Canada Air Lines is used. I wonder whether there would be some inconsistency there. I know that many hon. members suggested in the house that the government amend the act if necessary with a view to adopting the name Air Canada.

I have also noticed, for instance, at the international airport terminal, that the inscriptions on the caps and uniforms of the employees were in one language only. It is a detail, of course, but when foreigners arrive in Montreal and see those inscriptions in one language only, they form a wrong opinion of the country.

Another subject I would like to touch upon is that of Mr. Donald Gordon's term of office which was renewed for an 18 months' period. I was quite astonished when the government renewed his term of office for 18 months, for I well recall the statements which were made last year by several hon. members, including supporters of the present administration; and, to give an illustration, I may refer to the debates of November 27, 1962, at page 2060 of *Hansard*.

The hon. member for Timiskaming (Mr. Peters) said the following:

> This problem was raised in the committee, and I am not in agreement with the argument made at that time by the president of Canadian National Railways, Mr. Gordon. I think he should go back to banking and quit trying to run a railroad.

Such was the statement of an hon. member.

I shall now quote another statement, which appears on page 2062 of *Hansard* of the

same date, and I now quote the hon. member for Hull (Mr. Caron), who is now parliamentary secretary to the Prime Minister:

> That is unfair, but I am not surprised that, with the president it has now, the C.N.R. should be able to have its way, because that man is certainly not qualified to fill the post he holds at present.

On the same page, I note a statement by the hon. member for Lapointe (Mr. Gregoire). I was astounded to hear his comments when the government renewed for 18 months the term of office of the present president of the Canadian National Railways. Here is what the hon. member for Lapointe said at the time:

> Mr. Chairman, I am somewhat surprised at the stand taken by some Liberal members, as I remember that Mr. Donald Gordon, the public servant who probably renders the greatest disservice to the Canadian public at present, was appointed by the Liberal party of which he is a product. Actually, he was appointed by the then minister of transport, the present member for Laurier (Mr. Chevrier).

Even the hon. member for Laurier made some statements on the same date, as can be seen on page 2064 of *Hansard*. Here is what he said:

> That is why, on several occasions, I drew the attention of the present president of the C.N.R. and of his predecessor to the fact that only an insignificant number of Canadians of French origin held executive positions in the C.N.R. I think that the present president has, on several occasions, been made aware of this deplorable situation, and I am not ready to accept the answer he gave to the committee.

Mr. Speaker, those statements I have just quoted, not only from private members but also from a crown minister, disapproved Mr. Gordon's attitude, and that is why I was quite surprised to see the government renew Mr. Gordon's term of office.

I even have here a statement which appeared in the newspaper *La Presse* on October 5, 1963, coming from the hon. member for Montmagny-L'Islet (Mr. Berger).

> Later in the day, the Liberal member for Montmagny-L'Islet, Mr. Jean Berger, made public the text of a letter he addressed to the Prime Minister (Mr. Pearson), to inform him he is unable "to rejoice" on account of the "limited" renewal of the term of office of the president of the Canadian National Railways.

Mr. Speaker, may I point out to you that the St. Jean Baptiste society in Joliette, on the occasion of its last regional convention, disapproved Mr. Gordon's nomination, and I again quote an article which appeared in *La Presse* on October 5, 1963:

> The delegates to the eighth annual convention of the St. Jean Baptiste societies of the Joliette diocese maintained their position with respect to the resignation of the president of the C.N.R., Mr. Donald Gordon.

**Mr. Deputy Speaker:** Once more I take the liberty, much to my regret, of interrupting the hon. member to remind him, as I said a while ago, that he should restrict his remarks to the advisability of setting up the committee in question.

Such is the subject matter of the motion now before the house. Perhaps the hon. member could suggest to me in which way his comments relate to the advisability of setting up that committee?

**Mr. Pigeon:** Mr. Speaker, several members have departed from the subject before me. They also discussed T.C.A., the C.N.R. and Mr. Gordon.

Even the hon. member for Port Arthur (Mr. Fisher) dealt at length with this matter, and this is the reason why I discuss it.

As far as I am concerned, Mr. Speaker, I feel that the president of a crown corporation whose salary is paid out of the taxpayers' money, does not have the right to make statements which endanger national unity. If a French Canadian had been president of a crown corporation and had indulged in the same type of statement against his English-speaking fellow citizens, I would have been the first one, Mr. Speaker, to demand his resignation. I would like the committee to ask Mr. Gordon a few questions and request him to carry on with the program tending to promote bilingualism within the C.N.R., particularly in the French speaking areas. The hon. member for Villeneuve (Mr. Caouette) mentioned some time ago that one still sees on our trains notices in one language only, and the same thing goes for the conductors' caps. Perhaps, Mr. Speaker, you might think that those details are unimportant, but to me, they are shocking.

Mr. Speaker, in concluding I would like to point out something else, and it is this. Every year Canadian trucking associations complain about the encroachments of the railways in the field of transportation. As you know, trucking companies pay large amounts in taxes to the federal treasury, and that money is given by the government to the railway companies, which use it to compete against the trucking companies.

I am aware of the fact that Canadian railways try desperately to increase their income. I know what their problems are. Let them not however seek prosperity at the expense of private enterprise. I also know that the Canadian government makes large grants to the Canadian Pacific Railway Company.

I wish that, some day, we would have only one railway company in this country. For instance, between Montreal and Ottawa, there are two railway lines almost side by side.

Their maintenance is therefore twice as costly. And yet, all the nation's economic needs could be met by a single railway by combining both companies under one administration. I submit that we would attain greater efficiency in that way.

Mr. Speaker, may I illustrate the difference in efficiency between private and public enterprise. When we travel on the Canadian Pacific trains, we have a better service, the cars are cleaner and the schedules better observed than on the Canadian National. I think that those members who will have the privilege to sit on that committee should give that matter close attention.

I cannot understand, Mr. Speaker, why our national railways should be so inefficient. In Europe, railway schedules are much better observed. In this country the Canadian Pacific sets a quoteworthy example of efficiency, which favourably compares with government enterprises elsewhere.

In closing my remarks, Mr. Speaker, I shall once again repeat that, as I said a few moments ago, I would like, if possible, the members of the committee to reverse the government's decision, to enable Trans-Canada Air Lines to get the manufacturing contract for the Caravelle aircraft, which has gained an international repute. I lately had the opportunity of accompanying a Canadian delegation to Yugoslavia. Well, the Yugoslav government, though communist, did buy Caravelles. If that aircraft is good enough for European countries, it is certainly good enough for our Trans-Canada Air Lines. And, as I said before, the DC-9 was partly copied—

[*Text*]

**Mr. McIlraith:** Would the hon. member permit a question? I wanted to follow this part of his argument carefully, and I have been having great difficulty with it. Is he arguing that an aircraft should be bought that would be made by Canadair, or is he arguing for a particular model that would be made by that company?

[*Translation*]

**Mr. Pigeon:** Briefly, Mr. Speaker, what I mean is that I would not like to see Canadair being deprived of contracts. I should like the minister to reconsider T.C.A.'s decision in view of the pressures made by Mr. Rene Levesque, of the government of the province of Quebec, and by Mr. Lucien Saulnier, chairman of the executive committee of the city of Montreal, so that Canadair can get substantial contracts. If T.C.A. adopted the Caravelle, I think the problem would be settled for Canadair, since they would get profitable contracts, to the advantage of their employees.

[Mr. Pigeon.]

[*Text*]

**Mr. McIlraith:** I do not understand the argument clearly. Is it any model that would be made by Canadair that he wants to purchase, or is it one particular model?

[*Translation*]

**Mr. Pigeon:** I mean the Caravelle. In other words, Mr. Speaker, if there is a possibility, I would like that aircraft to be chosen, and this, for two reasons. T.C.A. should adopt the Caravelle, because it would choose the best airplane in the world; according to some experts, the DC-9 is partly a duplicate of the Caravelle. The company which designed the DC-9 had to pay royalties to the French company which developed the Caravelle. Second, if Canadair is equipped to carry out that contract, it would help to settle part of the unemployment problem prevailing in Montreal.

[*Text*]

**Mr. Kelly:** Would the hon. member consider answering a question? Would he urge the minister to form a transportation policy that would deal fairly with the huge trucking industry which employs over 100,000 people in Canada?

**Mr. Pigeon:** I spoke about that.

[*Translation*]

That is why, Mr. Speaker, as I said, I find amazing that the government should make large grants to the Canadian National Railways, whose deficit it makes up each year, and, with the help of such funds that the Canadian National Railways should enter into direct competition with the trucking companies.

I would like the committee to study this situation in order to reach a compromise. In other words, the Canadian National Railways should live and let live, but not to the detriment of private enterprise, that is of the truckers.

**Mr. Habel:** Would the hon. member allow a question?

**Mr. Pigeon:** No, Mr. Speaker. Should the hon. member for Cochrane wish to make a speech, he will have ample time to do so after I am finished, for we know he is not very talkative in the house, and he will certainly have an occasion to assert himself.

**Mr. Habel:** I have a question to ask of the hon. member—

**Mr. Pigeon:** You make your own speech.

**Mr. Habel:** Do you agree? I see that you do not; it is because you know whom you are dealing with.

[*Text*]

**Mr. C. S. Smallwood (Battle River-Camrose):** We have made fairly good progress on this motion to set up this committee. I do hope that today the house leader will have a change of heart and let me speak for a few minutes on this subject. The other day I mentioned the motion to set up this committee, and the house leader said that if I was going to speak he would not bring it before the house. I hope, sir, that the hon. gentleman will recall that when his party was on this side of the house they used to filibuster on these motions to set up committees to a far greater extent than we do. Surely, he will not regret it if he gives me about five minutes to speak.

**Mr. Pickersgill:** Mr. Speaker—

**Mr. Smallwood:** I have the floor.

**Mr. Pickersgill:** I wanted to say that there is no one—

**Mr. Smallwood:** I have the floor, Mr. Speaker; the hon gentleman knows the rules.

**Mr. Deputy Speaker:** Is the Secretary of State rising on a point of order?

**Mr. Pickersgill:** Mr. Speaker, there is no member of the house to whom I would rather listen than the hon. gentleman. I like everything about him, and especially his name.

**Mr. Smallwood:** That was another one of the hon. gentleman's phony points of privilege. We will forget about that and come to this matter of railroading.

I believe a great many of the points I was going to raise have been covered. However, I do feel it is time that parliament created an opportunity to take a closer look at the operations of the Canadian National. We have left this railroad in the hands of a great financier, Mr. Gordon, who likes us to vote him millions of dollars in about an hour or two so he can spend it building up his push-button railroad.

**Miss LaMarsh:** Go and tell Balcer that.

**Mr. Smallwood:** I am sorry, I did not hear the hon. lady. Perhaps we must put up with these interjections. We are passing these huge amounts of money for Mr. Gordon to spend on the railway. We are called upon now to vote another $365 million for him. We, in western Canada, are very concerned about this railway problem. I hope the minister will take a good look at all these matters.

I was very pleased to hear the hon. member for Port Arthur (Mr. Fisher) refer to this master grain handling system about which Mr. Gordon talked of putting in in western Canada. I do not believe I have anything further to say on that, because it was well explained. I think the minister could understand what a great hardship it would be on the farmers of western Canada if they were forced to haul their grain 50 or 60 miles to central depots in order to allow Mr. Gordon to adopt this centralized system.

Before I resume my seat, there was one other point I wanted to bring to the attention to the committee. It is the master agency plan which is being forced upon the people of Alberta from Edmonton, and there is another one which is being forced on the people of Moncton, New Brunswick. I am sure the minister has had representations from the hon. member who represents Moncton, an hon. member who is himself a railroader and supporter of the government.

Canadian National Railways placed the master agency in Edmonton, with no warning to the people whatsoever. The officials came into my constituency and told them, "This is where you will pick up your express from now on. If you want to send a telegram you will phone Edmonton. If you want to purchase a railroad ticket you will phone Edmonton." Then they went up to the local station agent and told him, "We will keep you here for a year. You are not going to do anything; you cannot sell a ticket or send a telegram, but you will be paid."

I got suspicious and I came to Ottawa and asked the board of transport commissioners if the railway had applied for permission to close these stations. The C.N.R. has now closed them and is retaining its station agent, even though he does nothing; but the company has not applied for permission to the board of transportation commissioners to close the stations.

I know what will happen. In six months time the railway will say it has received no business from a particular station and will apply for permission to close it. I hope the minister will take a good look at this master agency plan before its implementation goes too far, because it is causing great inconvenience to the residents of those communities and is also throwing men out of work.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I was glad to note the effort made by the minister to rise. I trust this means he is going to exercise his opportunity to close the debate and that, when he does, he will deal with some of the matters that have been discussed.

I wish to call his attention to one subject that has not been brought forward in this debate and I would like him to give a report on it. I may say I do not agree with all of the things that have been said this afternoon

about the operations of the Canadian National Railways, particularly by a few of the recent speakers. Without going into detail I can say there are improvements which can be made in any operation, but so far as Canadian National Railways and Trans-Canada Air Lines are concerned, we in this country have something of which we can be proud.

The one point on which I would like the minister to make a statement covers the question of doing something about the pensions of C.N.R. employees who retired prior to April 1, 1962. As the minister knows, a decision was taken in April of that year which improved the pension position of those then in service, those retiring after that date, but nothing was done with regard to the position of those who had retired prior to April 1, 1962.

The Prime Minister indicated to me in answer to a question on orders of the day on May 30 this year that this matter would be looked into. The previous government had also been looking into it, but what is the status of this matter now? Is it going to be studied by the committee which we are now establishing? Is it being studied by C.N.R.? Is it being looked at by the government? Who is doing something about it, and when?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I must say I have listened with a great deal of interest to the various matters discussed on this motion to set up the committee. I cannot say that I agree with all that has been said. I suppose it is proper to say that some of the observations were not relevant to the motion before us, but none the less they were interesting. Some of the ones that were not relevant were perhaps of more importance than some others that were discussed.

Those matters that were relevant to the motion are, of course, matters that should be discussed before the committee, and I for one am very glad that the committee is now at long last being set up. I have made clear on previous occasions in the house that I have been anxious to get the opportunity to have this done. I had in mind early this session, and put forward the idea, that we should adopt another procedure which would permit this committee to be set up very early in the session, rather than having to wait for its turn in the priority list of matters of urgency that have to be dealt with by any session of parliament.

There are some comments I should make with regard to some particular matters that were raised, because some of them contained bits of misinformation that must not be permitted to go unanswered and left on the record in that state, lest they be taken as accurate statements of fact. In that connection I have particular reference to the remarks of the hon. member for St. Mary (Mr. Valade). He spoke about the purchase of aircraft by T.C.A. and kept referring to three aircraft that were considered. Certainly with inaccuracies like that it is quite improper to make any such reference.

The whole matter of the purchase of aircraft by T.C.A. is, as I have indicated previously in the house, now before the government, although technically the matter is exclusively within the responsibility of T.C.A. We did however give the house certain assurances that it would be looked at by the federal government, and that is in process of being done. It is quite wrong and misleading to say there were only three aircraft considered. That is not a responsible statement.

**Mr. Valade:** I rise on a point of order. I am sorry to interrupt the minister but he said that these statements I made were improper, wrong and misleading. I do not think the minister should be allowed to use these words.

**Mr. Pickersgill:** Why shouldn't he?

**Mr. Valade:** Because as members of the opposition we have no access to the kind of information that is submitted to the minister, and we must discuss the things that are told us and the information that reaches us. I do not think members of parliament should be accused of acting improperly when they bring forward some questions of this nature. We ask questions of the minister because we want to know the answers.

**Mr. McIlraith:** Sometimes the questions asked are asked at a time when it is not possible to answer them. In any event the point I make is that I am sure the hon. member does not wish reports to go across the country that there were only three types of aircraft considered. I am sure he would wish me to correct that impression at once.

I am sorry he saw fit to make the references he did to the president of T.C.A. When you are running a publicly owned system—

**Mr. Pigeon:** Excuse me, sir. You don't use "Air Canada".

**Mr. McIlraith:** In referring to a publicly owned system it does not seem proper to me to make personal remarks attacking the persons of its officers. Their conduct of the business and their fitness for the positions they hold can be attacked as vigorously as any hon. member wishes, but when personal remarks are made against them it can only

do harm, because great public enterprises must be managed by public servants employed for the purpose.

**Mr. Valade:** On a point of order—

**Mr. McIlraith:** We have in this air line one of the—

**Mr. Valade:** On a point of privilege. The minister just inferred that I made a personal attack on the members of this crown corporation. I never said anything of that nature. I never made a personal comment on the conduct of these individuals. I mentioned the decision. I know the minister is a lawyer and he should know the difference. I am not a lawyer.

**Mr. McIlraith:** On this point I want to make it clear that this publicly owned air line company has the reputation of being probably the best operated air line company in the world. We in Canada should be very proud of this fact and should be very careful, in putting forward criticisms of the personnel, to criticize only those matters that have to do with their conduct or their fitness for office, and ought not to make criticisms of a purely personal nature.

We have in this country the two major railway systems, as well as certain others. I think the two major systems enjoy a very high reputation among the 80 or so major railways on this continent. Canadians have every reason to be proud of the management of these enterprises in both the public and private sectors. I wanted to make that point, Mr. Speaker.

The hon. member for St. Mary (Mr. Valade) went on to criticize the directors of T.C.A. I think I am duty bound to point out to him that all of them were appointed by the government which he has supported for a number of years, and unfortunately there has been no opportunity for this government to make the appointments that would justify his criticism of me in this regard. Whether the appointments by the former government were good or bad, they were made by that government and I have had the responsibility of carrying on. The same thing applies to Canadian National Railways, except as to one director. One director died and a replacement was appointed very recently.

As to the matter of the Jacques Cartier bridge and the Champlain bridge, I would point out that the hon. member took great credit for the government which he supported having taken the tolls off the Jacques Cartier bridge. I think the house ought to know that they were taken off some years before the money put into that bridge by the taxpayers of Canada was repaid to those taxpayers. They were taken off in a way that left the responsibility for that part of the roads system with the federal government, and the federal government is having to raise taxes from taxpayers in Canada to pay this part of the maintenance of the roads system of which he speaks. The matter is not as simple as the hon. member suggested. It is an important matter, but it is more complex than he indicated. In any event, Mr. Speaker, it is not relevant to this motion. Both those bridges are owned and operated by the national harbours board, and the national harbours board is not in any way involved in the business before the house this afternoon.

**Mr. Valade:** Mr. Speaker, would the minister permit a question on this matter?

**Mr. McIlraith:** Yes.

**Mr. Valade:** I wonder if the minister is aware that the upkeep and expenses in connection with that bridge are no more a federal responsibility, because it has been sold to the provincial authorities. Therefore I do not understand the minister's reference to taxpayers.

**Mr. McIlraith:** Mr. Speaker, the government is well aware of all the facts in connection with that bridge, and it is regrettable that the hon. member is not correctly informed.

The hon. member for Port Arthur (Mr. Fisher) made some personal reference to me. I can only say I regret that the impression I have made on him is so bad. His inability to find a parliamentary record in regard to my previous parliamentary experience may be due to another factor, and he should have considered that very carefully before making the remarks that he did make.

**Mr. Robichaud:** He was too busy writing.

**Mr. McIlraith:** Perhaps the hon. member was too busy writing and had little time to read or examine the record properly. In any event, Mr. Speaker, all I wanted to say was that I did not propose answering the personal remarks the hon. member made about me. I noted his remarks about the next appointment to the head of the C.N.R., and I noted also the apparently different view of his own competing position vis-à-vis that of other hon. members of the house. I can assure him that his application will be considered along with others, but I will not give him any assurance whatever as to how lengthy that consideration will be or what the result of it will be. I think it should be very self-evident to him, and indeed I think he would wish that it would receive very brief consideration.

The hon. member for Quebec East (Mr. Beaule) raised the question of simultaneous translation in the committee room when the committee is meeting. That is a matter exclusively for the committee. However, the facilities are now available and I would anticipate no difficulty whatever in this regard, although I as minister have no right to give any assurance on the matter because it is one exclusively for the committee.

Reference was made to the air maintenance base at Winnipeg. This matter was raised by the hon. member for Lisgar (Mr. Muir). I agree that it is a very important matter. It is receiving consideration now. The study has been made on the economic aspects of it as these affect the air line company, but there are larger matters of policy that have to be considered. These are being considered by the government, and as I indicated in the house on October 8, I think it was, I expect to be able to make some announcement on this subject before the end of the year.

Important matters were raised on the question of what was called rail line abandonment. I prefer to refer to that very important subject as rail line rationalization, because I think that is what it really is. Some of the figures quoted with reference to the number of lines involved are very much higher than is the fact; but in any event, that is a matter for the legislation arising out of the MacPherson royal commission, and it will be before the House of Commons very shortly. The hon. gentleman from Winnipeg North Centre (Mr. Knowles) raised the matter of pensions. I expect he will raise it again in the committee, and I will try to deal with it at the time.

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Valade:** Mr. Speaker, I have a question to ask the minister. I think it is quite important that he should answer this question, because he said at the commencement of his reply that some of the points raised were quite irrelevant. Therefore I think the house should know which points are irrelevant, because all the points that I raised I wanted to discuss in the committee. If some of these points are irrelevant, as the minister suggested, I would like him to indicate to the house those which are irrelevant so that we may take some other opportunity of raising them.

**Mr. Deputy Speaker:** Order. I understand the minister closed the debate. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

[Mr. McIlraith.]

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I know it is practically five o'clock and I know, also, that I am asking a great favour of the house, but I am going to ask it anyway. There is a resolution standing in the name of the Prime Minister (Mr. Pearson) which the President of the Privy Council (Mr. Lamontagne) was prepared to go on with. I believe that anything that could possibly be said on the resolution could be said equally as well on the bill. Therefore if the house would be willing to consider allowing the bill to be given first reading, it would then be possible to call the bill on Monday after the vocational training bill is disposed of. I am quite sure there would be no limitation on anything that any hon. member would wish to say at that stage.

**Some hon. Members:** Agreed.

**Hon. J. W. Monteith (Perth):** Mr. Speaker, I think we have really made very good progress today. There may be one or two hon. members who wish to say something on this bill. Perhaps the house leader would like to raise it as the first item on Monday and get the bill before us, and it could be dealt with quite rapidly later. I think we had better call it five o'clock.

**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 public bills and private bills.

## INTEREST ACT

### AMENDMENT TO PROVIDE FOR DISCLOSURE OF COST OF CREDIT

**Mr. E. Nasserden (Rosthern)** moved the second reading of Bill No. C-31, to amend the Interest Act (finance charges).

He said: Mr. Speaker, in rising to say a few words on the second reading of this bill I should refer to the fact that it was first introduced in the House of Commons two years ago, when I believe it was talked out. As you know, Mr. Speaker, over the years a number of bills of this nature dealing with consumer credit have been introduced, and some have been sent to the other place during this session for study. You are also aware of the fact that during the past sessions of parliament a great deal of consideration has been given this matter in the other place. All of these studies have led me to the conclusion that at the present time there is enough information in the hands of those on the treasury benches to enable them to give consideration to the implementation of legislation to take care of this particular problem.

During the present session we have seen the spectacle of many of this sort of bills being

allowed to stand week after week at the request of the government. There was an understanding that the government would set up a committee to deal with this question. Despite this, some people may have wondered why one bill was not included in that arrangement, and I want to elaborate a little on this matter today. However, before I do so I should like to point out that a great deal of delay was occasioned in the study of this matter by the House of Commons owing to the continuance of the request on the part of the government from time to time to have a number of these bills stand.

The present bill is a little different from many of the other bills which have been presented for consideration, because it deals primarily with the requirement that those extending credit should outline the extent of that credit and the percentage charged; and the bill presented today would also provide a penalty for anyone who failed to follow that direction. It would also make it illegal for anyone to collect anything at all if he failed to state clearly the amount of interest and the percentage charged on any particular transaction.

There is nothing in this bill which infringes upon provincial jurisdiction, as far as I can ascertain. In view of the fact that other bills have been sent to a committee for study, and knowing the slowness with which committees deal with these matters and the importance of doing something to alleviate hardship caused to many people faced with the problem of credit payments, which in some cases they really did not understand and had no knowledge of the amount of interest involved, I feel the house would be well advised to pass this measure at the present time, asking credit companies to place on their tags the actual interest rate charged in any transaction involving consumer credit. This would not in any way interfere with the problem of whether interest rates are too high or too low, or interfere with a number of other matters in that connection which have been dealt with in other bills presented by hon. members.

I know all hon. members are familiar with this matter, Mr. Speaker, so I do not intend to take up any more time of the house. I hope the bill receives favourable attention at the hands of hon. members.

**Mr. J. J. Greene (Renfrew South):** Mr. Speaker, as the house knows, the vast majority of these bills relating to consumer credit and finance charges generally have been relegated to a joint committee of this house and the other place for the purpose of reviewing the entire legislative picture as it applies to government at the federal level. In spite of the hon. member's explanation, I do not fully appreciate why this particular bill has been left out of the series of bills which were relegated to that committee. I think we all agree that the entire question of consumer credit needs very serious review and that we should go to the very basis of the subject matter, as this committee will be able to do.

One of the defects of this particular bill, Mr. Speaker, is that possibly it has not been gone into in sufficient detail, particularly with regard to its constitutional aspect. I do not think we can possibly resolve the very deep-seated problems which affect credit generally in this country, and consumer credit in particular, without considering them in relationship to the constitution of the country. Unfortunately, at this level of government we have under our constitution, jurisdiction over interest pursuant to the British North America Act, but we do not have jurisdiction over private property and civil rights. Pursuant to the constitution that matter falls within provincial jurisdiction.

I do not think that this problem can be solved at either one level or the other. If we approach it from the provincial viewpoint of private property and civil rights, I think we inevitably run afoul of the federal powers under the constitution which give control of interest to the federal government. On the other hand, I do not think that in approaching this problem purely by virtue of the powers of the federal government over interest, as does this bill so attempt, we arrive at a full solution to the problem either. I think there is no doubt that this is one of the very fundamental matters which has belaboured us in this house, particularly in past years and certainly in this session. I am referring to those things which we may do here within the constitution and which we deem necessary for the welfare of our people, and those things that are necessary for the welfare of our people which may not be done either constitutionally or under some new concept which has now come into being in our federalism and in our constitution. Even though it is constitutionally proper for the federal government to do certain things, by reason of this new concept, they can only be done with the approbation of the provinces, although these things are within the federal sphere under the constitution. This shows how difficult it is to legislate in these matters.

I think all of us were very pleased to hear the Prime Minister (Mr. Pearson) say the other day in no uncertain and in very positive terms, paraphrasing Sir Winston Churchill, that he had not come to this house to see the liquidation of the Canadian constitution. These were indeed reassuring words, especially as we have heard so much in the

house, since parliament convened in April, about provincial rights, parochial rights, municipal rights, but so little about Canada, the powers needed federally in order to make Canada a strong land which could forge ahead, and about giving the proper federal powers needed in this very complex world to do the things socially and economically required by our people. It was reassuring for us on this side to hear the Prime Minister (Mr. Pearson) speak as he did. If there is one thing which binds us together on this side of the house, it is the great part which the Liberal party has played in bringing back to the federal government the powers it needs in order to confront the many problems with which the 20th century presents us. I think that when the constitution was formulated it was intended that the reserve power under the peace, order and good government clause should reside in the federal government. The fathers of confederation were farsighted enough to see that, as economic and social needs grew, the federal government must have the legislative and fiscal power needed to enable it to satisfy these new needs.

Unfortunately, as a result of narrow-minded and incompetent judicial decisions by the privy council early in the century, the federal power under the clause to which I have referred was truncated and emasculated, until, if the privy council decisions were to be heeded, residual power was virtually vested in the provinces. I think history will record that the great thing this party has accomplished in its 22 years of office was the recovery of so much of that residuary power. The great place in history of Mackenzie King in particular will result from the fact that, through his wisdom and his understanding of the problems of Canada and its peoples, without creating any great provincial turmoil and, in a large measure, with the approbation of the provinces, he was able to bring Canada back to the position which the fathers of confederation had intended, namely that the residual power, the vast residue of power, should rest with the federal government. We have seen that in the United States—

**Mr. Deputy Speaker:** I regret to interrupt the hon. member but I wonder if he proposes to relate his remarks to the bill which is before the house.

**Mr. Greene:** I certainly intend to do so. As I said when I began, the weakness of this bill is its lack of appreciation of the constitutional aspect of the problems presented by consumer credit. This must be considered if we are to address ourselves to the grave matters which the hon. member has raised. I do not think we could do this purely at the federal level under the constitution as it now stands. Accordingly, I wish to address certain remarks to the possible weaknesses of the constitution as it exists at present.

A new term has become applicable to our constitution over the past few years, namely co-operative federalism. This, in some manner, has become a popular euphemism, such as "nice guy" or "without sin" or "for matrimony". It has achieved a high place in a short time. While there may be areas in which this co-operative federalism is a proper approach, I would say this: any federal state is founded on the premise that it has a constitution which clearly defines the powers which are to be enjoyed federally and those which are to be enjoyed provincially. Any doubt is resolved by the judiciary. In my humble view, this new approach by way of co-operative federalism belittles the constitution and may lead to government by men rather than government by laws. How are we going to know from day to day what governments, provincial or federal, may do if this new approach—

**Mr. Nasserden:** Despite the admonition which you addressed to the hon. member opposite he is continuing in the same vein as before. I would point out, Mr. Speaker, that he has wandered far from the question under discussion.

**Mr. Deputy Speaker:** I am sure the hon. member does realize that there is a bill before the house and that his remarks should be related to the terms of that bill. I ask him once again to bear that in mind.

**Mr. Greene:** Yes, Mr. Speaker. As I stated earlier, while I appreciate the motives of the hon. member who is sponsoring this bill—he is against transactions in connection with which persons are not made fully aware of the rate of interest they have to pay—I submit, with respect, that a fundamental shortcoming of this measure is that he has forgotten about our Canadian constitution. It may be that the constitution will have to be revised in order that the worth-while objectives which the hon. member has in mind may be achieved. If that type of revision should be necessary, I am sure that we on this side would be pleased to support the hon. member in approaching the provinces to that end, should it be the type of amendment, as I imagine it would, where the consent of the provinces was required in order to amend the constitution so as to make legislation of this comprehensive type valid at the federal level. If this is to be done, I would be the first to agree with the hon. member that such a change in the constitution should be made by amending the constitution, not by expedients, or day to day meetings, or discussion with the provinces; not by some nebulous

term such as co-operative federalism. I say it should be done by a clear amendment to the constitution, so as to carry out what the fathers of confederation had intended.

I agree there might be great difficulty about amending the constitution but, if, in 1865 there were men in this land who had sufficient vision—if that is not a nasty word—and sufficient energy, foresight, and courage to draw up the original constitution then, surely, little can be said for us who sit in this house today, if we do not have people of such calibre and sincerity as to achieve our objectives by a forthright amendment to the constitution, rather than leave these wide overlapping areas of jurisdiction. Nobody knows whom these areas belong to. Apparently legislation concerning them should be carried out now, under this new heading of co-operative federalism. Well, there may be a narrow area which would best be left in this nebulous field, but by and large I suggest it would be far better to have government by law, by placing with the federal government the powers it needs to carry out its task and by placing with the provincial governments the powers, both fiscal and legislative, which they need in order to carry out theirs. Governments at both levels would be able to raise the funds they needed and do what they had to do, clearly within the constitution, so that we might continue to have government by law rather than government by men.

**Mr. Nasserden:** I quite agree with what the hon. gentleman has just said, but I would point out to him that interest rates are one of the things that come under federal jurisdiction.

**Mr. Greene:** I concur in what the hon. member says, but may I relate once more to the bill in question what I have said respecting our constitution. May I point out there is a vast area that the hon. member has attempted to leave out of the bill, because he very clearly saw that it was not within the constitutional ambit of the federal governmen. But I fear that even here he has transgressed on provincial authority by referring in the proposed section 16 (b) in the bill to such things as brokerage fees and charges, bonuses, service charges, subscriptions, dues and premiums. These matters may well come within the area that has been defined judicially as being private property and civil rights, rather than interest, and if such is the case then to that extent his bill would be unconstitutional.

I think that all matters, even what may appear on its surface to be a humble bill such as this, will run into these difficulties until such time as we in this house are of sufficient stature to amend the constitution as it so very badly needs amending today. I would point out to the hon. member that only recently a very beneficial Ontario statute, which purported to achieve the worthy ends that this bill attempts to achieve, was declared by the supreme court of Ontario to be unconstitutional. I refer to the Ontario unconscionable transactions act.

Under that legislation the province of Ontario had purported to legislate under their authority pursuant to section 92 of the British North America Act and their overriding authority with respect to property and civil rights. They had passed this bill which gave power to a county court judge to revise the interest rate or declare the entire transaction null and void if he should deem it to be unconscionable. This was a very meritorious piece of legislation which covered instances such as the hon. member may have in mind, where someone has been persuaded to sign a contract involving a very heavy interest rate without understanding what he is doing. The act was taken before the courts by some grasping and greedy finance company, no doubt, and ultimately the courts had to declare it unconstitutional and the very worthy purpose that this act had been serving for so many years can now no longer be achieved.

This is the kind of thing we should consider very seriously in this house. We should consider at the federal level whether the constitution could not or should not be amended, and again this is something that undoubtedly, according to precedent, would have to be done with the consent of the provinces, in order to provide either at the federal or provincial level clear, constitutional authority to legislate for the entire field of credit generally and certainly for consumer credit in particular. We know that banking comes under a federal measure and there again there is a conflict with regard to interest, banking, and private property and civil rights.

Here is an area where the joint committee of the house and the other place will be able to do something worth while, and surely in this area we can secure the co-operation of the provinces. While the Canadian constitution apparently has been beyond the ability of mere politicians to amend in recent years in any real comprehensive sense, at least in some areas we have made some headway in amending our constitution and I believe that in the area of consumer credit we would have a very good chance of obtaining the consent of the provinces, which is no doubt needed, to effect a new area of federal authority whereby consumer credit and credit in all its aspects could be controlled at the federal level. No doubt we could pass a statute analogous to the unconscionable transactions

act which would protect consumers of credit all over Canada in an equitable manner. I think if we amended the constitution to give the provinces individually entire authority in this regard the provinces might set up different standards throughout Canada with regard to the protection afforded to consumers of credit, and I do not believe this is something we want to do.

So I say I am in complete accord with the lofty and worthy objectives of the hon. member. I know that all members on this side of the house are willing to work very hard for a pervasive amendment of our constitution so that authority with regard to all fiscal and other legislative matters will be defined as clearly as possible within the constitution, thus leaving minimal areas where the new approach of co-operative federalism will hold sway. To as great a degree as possible, let us have a constitution that defines the rights and responsibilities of the various levels of government in such a way that they may be interpreted judicially as clearly as possible. We hope that the revising of the constitution can be carried out in the not too distant future, and when that is done I trust that the entire problem of consumer credit will find its proper place within comprehensive legislation which will protect consumers of credit all over Canada.

[*Translation*]

**Mr. Guy Marcoux (Quebec-Montmorency):** Mr. Speaker, there are a few words I should like to say concerning Bill C-31 put forward by the hon. member for Rosthern (Mr. Nasserden). I hope I shall abide by the rules and stick to the subject, as opposed to the hon. member who has just spoken.

No doubt is there much to be said in favour of Bill C-31, since it is designed to compel loan and credit companies to show on their contracts the interest rate to be paid by borrowers.

At first, that bill might seem attractive because, so far, there is no way for the borrower to find out exactly how much interest he will have to pay not only per year but per month.

However, following various pieces of legislation that were brought forward in the past and certain special taxes imposed by different governments, we realize easily after having studied the budget that the people get used very rapidly to formal changes, whereas there is really only one way to prevent certain abuses.

At the present time, finance companies are said to lend money at an annual rate of approximately 24 per cent and as there is no indication on the contract, creditors may insist upon receiving amounts of money the borrower never thought he would have to pay.

The problem remains the same since, in many cases, people who apply to finance companies are known to be insolvent. They can then obtain credit by simply paying a much higher interest than the one charged by chartered banks and credit unions. I am pretty sure that even though finance companies were compelled to show in their contracts the amount of interest charged, that is 24, 26 or 20 per cent, this would in no way prevent people from applying for loans to those companies.

I feel that if the public is to be really protected, the answer is not to legislate on the methods to be used by finance companies, but to legislate mostly on the rate of interest charged by them, because, after all, the consumer is exploited when he has to repay large amounts of money.

Individuals whose credit is good enough may very easily obtain margins of credit from banks; evidently, those people are not involved.

The only persons involved are those who are denied any credit except by finance companies. This is why I respectfully submit that in spite of the interest which this legislation may arouse and in spite of the undeniable good faith of the hon. member for Rosthern, actually the public would not be sufficiently protected, unless finance companies are prevented by legislation from lending at prohibitive rates.

The hon. member for Rosthern mentioned that he had previously introduced a similar bill in former years and that its fate had been similar to that of all private bills. I think he could have put to good use the time his party was in office to enter this bill in the statutes.

In passing, I notice that section 2 of the bill states that the present act will come into force on September 1, 1962. I wonder how the hon. member for Rosthern decided to make his bill retroactive.

On the other hand, the member for Rosthern says that he wants to protect his constituents, when in fact he does not protect anyone because all those who will need money will know beforehand if they are going to pay 24, 26 or 20 per cent, whereas in the past they did not know. That will in no way prevent loans from being made, small consumers from being prosecuted before the courts eventually, or small consumers from losing by seizure of goods bought in good faith because of the bad faith of those who have loaned them the money.

Therefore, Mr. Speaker, I simply submit that this bill does not adequately protect the consumer and I would ask the hon. member to be kind enough to withdraw it.

**Mr. C. A. Gauthier (Roberval):** Mr. Speaker, I must congratulate the sponsor of this bill. Contrary to what the previous speaker said, I maintain that even if the bill is not without fault and this I admit, it deals with part of the crucial problem which we are now facing. It is something, because in my opinion the sponsor of the bill has endeavoured to draw the attention of the house on the matter. Even if it had only enabled us to hear the statement made by the hon. member for Renfrew South (Mr. Greene), I would say that this bill has provided the opportunity of hearing a lecture on constitutional principles.

One fact remains however and it is that today the people are swindled by a gang of illegal lenders and this nobody can deny. We are before an accomplished fact.

The federal government is being asked today to attempt to correct this unbearable situation and the hon. member for Renfrew South can only reply by putting a question. He even goes as far as to state that matter does not come under federal jurisdiction. For 90 years, it has been wondered whether it rests with the federal or the provincial governments to determine interest rates and the procedure to be followed for the granting of a loan. When the hon. member for Renfrew South maintains that the matter does not come under federal jurisdiction, he is absolutely not putting forward the views of his party. In my opinion, the present Liberal government has never had any scruples about taking over fields reserved to the provinces and even about infringing upon provincial rights.

I notice that neither the federal government nor the provinces feel responsible when the time comes to enact legislation to give some protection to the public and the small wage earner. However, when it is a question of protecting a company or a trust, everyone takes his responsibilities and looks after the company or trust concerned.

Mr. Speaker, I feel that the federal government has a role to play and that it must play it even to the point of seeking an agreement with the provinces, if necessary, to determine who is going to put a stop to this state of affairs which is leading the people down the road of bankruptcy.

The object of this bill is to make a credit financier criminally liable. In fact, the sponsor of the bill goes quite far, he even states his case boldly:

> The purpose of this bill is to make a credit financier criminally liable when he does not, before the credit transaction, clearly disclose in writing to the debtor the cost of the credit calculated as a total dollar amount and as a yearly percentage of the credit amount to be granted.

That is the purpose of this bill. On the other hand, I feel that its ultimate end does not fulfil completely the aim sought today.

> This criminal liability attaches only to the individual or company who grants the credit.

I would have liked the sponsor of the bill to indicate here some companies which do more than lend money at exorbitant rates and do not divulge them.

I consider charter banks as private companies which have the gall, with a deposit of $8 only, to loan $100 to the government. That is a crime.

I do not quite agree with the sponsor of the bill when he says:

> The liability does not attach to the person who grants credit but not as a business—

As a matter of fact, I know personally several individuals who, today, loan money, without making a business of it, at even more usurious rates than the legally and officially constituted finance companies. That is why I said earlier that, in spite of that, there was some good in the bill.

Credit companies do not willingly give particulars of all interests included in sales contracts, and certainly the mover can attack interest rates, because that is where the evil is. Everything hinges upon that question. The companies use all possible means to try and hide the prohibitive amounts of interest which are added to the contract prices.

Here I should like to give you a few examples selected among the hundreds I know, because I myself have been in business, when I entered into numerous contracts and have been in some public offices.

I have here assertions by judges and lawyers to the effect that individuals lend at an interest rate as high as 75 per cent, and that it is impossible to take legal action against those thieves.

Nowadays, we go to great lengths to pass legislation in order to catch people who commit small larcenies, when for the last 90 years, we have not found ways to arrest those large scale thieves, to legislate with a view to preventing such thefts.

We must have legislation that will check what I would call "those big thieves". As we are discussing this matter today in the house, we can still hear hon. members declare that "it does not fall within our jurisdiction" or that "it does fall within the provincial jurisdiction". Who is to blame? We will have to assume our responsibilities tomorrow.

Let us take the following example. A man needs $5,000. Somebody comes to him and is willing to lend him the amount, provided that the borrower pays a 15 per cent commission, which amounts to $750. And one must add to this searching expenses, counsel fees, and so on. Formerly, such a transaction would have cost only $40, but nowadays—and I have seen contracts in a notary's office—a plain $3,000 insurance contract can cost $350. To the $750 commission you must add at least $300 in contract fees, which makes a total of $1,050 on a $5,000 loan.

Now, as it is not sure that the customer will make his first payment, an amount of $200 is withheld. That brings the cost of the loan to $1,250 so that the borrower will get only $3,750 out of a $5,000 loan.

Interest will be calculated on $5,000 for 36 months. At present rates, the interest will amount to $1,500 for 36 months and the borrower will have to make 36 monthly instalments of $200. If he always pays on time, he will reimburse $7,500 even though he has received only $3,750. That is one of the finest examples of such loans.

Here is another example. The same person borrows $5,000 on the same conditions from a private individual or from a private company this time, under what is called a small loans plan, a family plan or a budget plan. This is where things get out of hand. The borrower is told: "You will reimburse $7,500 in 36 months." However, the lender knows full well that the borrower will be in financial straits for two or three months, especially in marginal areas, and that it will be impossible for him to make his payments. The borrower who is a well-established and rich farmer, is told: "There is no hurry; take your time."

Three or four months later, when there is a downward trend on the markets, the borrower is reminded that he now owes $800. Then, the farmer who is pennyless and has nothing left says to himself: "It is useless; I will have to sell some stock or anything to pay that amount." But the lender reassures him once more: "No, do not hurry. We will just add the $800 to the $7,500 and you will repay the whole amount in 36 months."

And this keeps on until he realizes after three years that he has to repay $15,800 for a $5,000 loan. I have seen many such cases, Mr. Speaker.

It happens every day in our district, because—

**Mr. Boulanger:** Does the hon. member include car financing in this?

**Mr. Gauthier:** No, I was not referring to those finance plans. Even though I have nothing against car salesmen, I think that those plans are not to be encouraged. We may belong to Social Credit, but we do not recommend them, because those are not our views about credit.

I am a furniture dealer myself and my customers have to pay through finance companies, but do not think I like it. I would much prefer obtaining credit from the bank, because I would send my customers there and they would save 18 per cent in interest. Unfortunately, it is impossible in the present situation.

**Mr. Boulanger:** There is always a beginning.

**Mr. Gauthier:** There is some improvement, but not much. I must point out once again that I am not against large finance companies, even though some of them charge 18 or 20 per cent interest, because they transact business fairly and normally. I am against this kind of finance plans such as we have in our area today which have succeeded in laying hands on at least 100 cultivated lots belonging to farmers who had been compelled to borrow $3,000 and who now owe up to $22,000. It is against such individuals that I bear a grudge. In that connection, Mr. Speaker, I have here some letters from judges and lawyers who have written to ask me to expose those rascals.

**Mr. Belanger:** Yes, they are rascals.

**Mr. Gauthier:** This is right, they are thieves. I admit, Mr. Speaker, that we do not have any control on interests. The hon. member for Renfrew said so: "There is no limit on the interest rate". Nowadays, if an individual wishes to lend money at 300 per cent, you are unable to stop him. But if a labourer steals $3, you will have him jailed for a month, while the other individual will rob you blind and you will be unable to prosecute him.

There is another kind of case which I would like to bring to the attention of the house. I shall have to curtail my remarks, Mr. Speaker, because I do not want to kill this bill.

Mr. Speaker, I could mention several cases but, as my time is running out, I abbreviate my speech to enable another hon. member, who informed me of his wish to take the floor, to make a few remarks on the bill before us.

As a matter of fact, I myself introduced Bill C-23, which was more precise than this one, which wants to establish the interest rate. I have been advised to refer it to the committee on consumer credit. I readily did so. I was told that this would be the quicker way. Unfortunately, I find that the credit committee has, I think, become a rest room where nothing more is heard of the bill referred for consideration.

As this famous credit committee—I have been told so since, because at the time it had just been appointed, and I thought it quite adequate—seems to have been only set up to kill our bills in the gas chamber, it might as well not have been created at all.

We should, once for all, legislate to control this kind of business, because it has become quite shocking for this country not to be able to control or fix interest rates to stop usury. It should be our policy to fix interest rates, definitely and finally.

I shall now, incidentally ask the committee which is to study our bills, to accelerate matters a bit, give us a report and let us have the means of protecting each and every Canadian citizen against the loathsome business of those finance companies which are taking away our homes, our land, not only in my district but in the whole province of Quebec.

That is the problem in Quebec today. The federal government should act—if necessary, in agreement with the provinces—it should act once for all and give us some legislation to put the brake on such monstrous practice.

[*Text*]

**Mr. Joseph Macaluso (Hamilton West):** Mr. Speaker, in the limited time that I have available to me I wish to make certain comments on Bill No. C-31. Nine public bills on this subject have been referred to the special committee which this house set up on November 8 last. At that time the Solicitor General (Mr. MacNaught) moved a resolution to establish a select joint committee of the other place and of this house. It is interesting to note that the resolution states that a joint committee of the Senate and the House of Commons shall be appointed to inquire into and report upon the problem of consumer credit. It goes further and says this committee shall report upon the operation of Canadian legislation in relation thereto. The third section reads that the committee shall have power to call for witnesses, papers and records and examine witnesses.

Although all parties in this house were unanimous in the setting up of that committee, as they should be, and although the principle of this bill is the same as that of the other nine public bills, I think it would be quite improper if at this time we were to allow this particular bill to pass, although we are all in favour of its principle, when nine other public bills are before the select committee that has been set up. I am opposed to this type of amendment to the Interest Act at this time, because I am opposed to any piecemeal amendment to any legislation. We have had problems with the Income Tax Act and other legislation because it was amended piecemeal. We will also have problems with this act if it is amended piecemeal. In my view, Mr. Speaker, the Interest Act should be completely reviewed and amended in total rather than sections thereof being amended piecemeal. I think the only way to deal with such an important piece of legislation is for the federal government to introduce a new act to deal with this particular problem.

The committee has the power to call before it persons, papers and witnesses. According to the information I have received, no other committee has ever been set up with this power to look into the problems of consumer credit. I think it is very important that before any legislation is introduced, as much as we may wish it to be implemented, such legislation should not be implemented without the committee calling witnesses before it who can deal with these problems. Not only should the committee call before it witnesses from the judiciary, from the bar associations across this country, from finance companies and people who deal in consumer credit and interest rates, but there should be a complete review of this matter right across the country. The committee should have before it evidence as to consumer credit, interest rates, collateral mortgages, chattel mortgages, conditional sales contracts, and so on. In this way we will receive recommendations from the select committee which can be incorporated into legislation that will deal with this problem.

The hon. member who introduced this bill stated that he first introduced it two years ago. I question his sincerity in introducing it again at this time, because he had two years in which to bring it forward and I gather from his remarks that he did not bring it forward last year. It seems strange to me that when his party was in office at that time, with a very large majority, such an amendment to the Interest Act was not implemented. I leave that with the house, Mr. Speaker, just as my own personal opinion.

As I stated, nine public bills have been introduced in connection with this matter. There was Bill No. C-10, an amendment to the Interest Act, which was referred to the committee; Bill No. C-55 was another proposed amendment to the Interest Act, which was referred to the committee; Bill No. C-14 was introduced, to amend the Small Loans Act, requiring statements of true interest rates. The bill before us at this time also includes this as one of its purposes. There was Bill No. C-23, an amendment to the Small Loans Act, to reduce maximum interest rates, which bill was also referred to the committee. Bill No. C-9 was another proposed amendment to the Small Loans Act, requiring statements of true interest rates, which was also referred to the committee. Then there was Bill No. C-33, a proposed amendment to

the Bills of Exchange Act, and Bill No. C-6, to provide control of consumer credit. To my mind there was a sound reason for the setting up of the select committee to deal with this matter, and we should not pass any piecemeal legislation to amend the Interest Act, the Small Loans Act or the Bankruptcy Act. The legislation which we all wish to see enacted is much too important to everyone to be treated in a piecemeal fashion.

Then there is the problem of education. It is very fine to have legislation, but legislation is only as good as it can be implemented and enforced. However, the problem here is that a man or woman who requires funds badly—and this is the reason for the high interest charges which people have to pay—go to finance companies and similar institutions to borrow money and do not care what rate of interest they have to pay, as long as they receive the money. After they have received the money and spent it, they complain about the high interest rates. That is why I say the problem here is also one of educating the people to be aware of the legislation which is enacted to improve this situation.

Mr. Speaker, I notice that you are becoming a little agitated. It must be nearing six o'clock. May I call it six o'clock?

**The Deputy Speaker (Mr. Batten):** Order. It being six o'clock, it is my duty to inform the house that the hour for the consideration of private members' business has expired. As the business, pursuant to special order made on Thursday, October 17, 1963, will be the consideration of estimates, will the house now agree to go into committee of supply.

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

**The Chairman:** Order. House again in committee of supply, vote No. 1, Department of Mines and Technical Surveys. Shall this item carry?

Departmental administration—

*1.* Administration, operation and maintenance including Canada's fee for membership in the Pan-American institute of geography and history, $1,290,100.

[Mr. Macaluso.]

**Mr. Benidickson:** Mr. Chairman, in presenting estimates of this kind we are in a rather unique position in that basically these are estimates prepared by the previous administration.

**Mr. Dinsdale:** They are good ones.

**Mr. Benidickson:** I see the Leader of the Opposition facing me at the moment.

**Mr. Diefenbaker:** And he is smiling.

**Mr. Benidickson:** I want to say that my predecessor is not in this house to ask me about future programs, because he is on a very important mission with the defence committee overseas. I think however that this committee is entitled to some explanation of these estimates, whether they originate with the official opposition or with the new administration.

We have before us departmental estimates for 1963-64 in excess of $45 million, which are $2 million less than the previous year's. Since the new administration has come into office I have received advances from the new Minister of Finance, and naturally so, to see whether we could in some way curtail some of the items having regard to the expected and announced deficit. However, I must tell this committee of supply that I have not been able to recommend any changes on the reduction side among the items in the estimates after the austerity program of the previous government and after the $2 million which I have mentioned had already been cut off; but I think I am able to tell the committee of supply that I feel pretty much assured that in the present session I will not be asking for any supplementary estimates to cover any increases, which of course so often change the figures from those in the basic blue book we are considering tonight. We are preparing some new estimates at this time for the 1964-65 term, and I hope they will include some of the items I have been hearing about from colleagues not only on this side but on the other side of the house, knowing as we all do how important is the Department of Mines and Technical Surveys to the economy of the whole of Canada.

At this point, and in view of these special circumstances, I am accepting wholly the proposals of my predecessor for this current year. I will say no more, but after hearing comments of all hon. members of the committee of supply I will perhaps comment further on their suggestions and advice, which is very much sought at this time.

**Mr. Rheaume:** Mr. Chairman, in opening my remarks tonight I join with the minister in hoping that the estimates of his department, an extremely important one regardless of the

size of its expenditures, will pass this committee of supply tonight, in order to give him and his officials an opportunity to carry on with a most important phase of Canadian activity. I have said before in the house that I hope the minister will soon be in a position to give us and the Canadian people an indication of whether or not the provisions of the Emergency Gold Mining Assistance Act are to be carried on as they now stand, whether they are to be extended, or whether they are to be changed in some other way, in order that the mining communities throughout this country may have ample notice that changes are contemplated.

I know from previous conversations with the minister that he is anxious to bring before the house a statement as to the policy of the government after January 1 when, as hon. members may know, the provisions of the regulations under E.G.M.A., as we call it, run out. We fully realize that the purpose for which the special provisions under the act were introduced requires re-examination. When these measures were enacted into law, the emphasis was laid on gold production. In the years which have intervened, the provision of this special assistance which allowed mines in many areas to continue to operate, has been accompanied by social implications. We have found this out with regard to so many of the measures enacted since the second world war. For example, the closing down of a military base has tremendous social and economic implications, and such a decision must be weighed not only in terms of its direct effect but also in terms of its ancillary effects upon the Canadian economy, and in particular on the communities affected.

The provisions of the Emergency Gold Mining Assistance Act were introduced by a Liberal government. They were continued in the period 1957-62 by a Conservative government, although I must say they were examined carefully and extended so as to recognize the new factors which were present. Perhaps for the first time, the provisions of this act were understood in the light of their social and human implications. This was a forward step. I intend to be brief, and my point is simply this: if changes are to be made, it is necessary that the minister be given an opportunity to announce them well in advance, so that the mining communities of Canada, and there are many of them, may know as quickly as possible what policy the government intends to follow in relation to this matter.

To come closer to the area in which I am more particularly interested, let me say that the future of the Northwest Territories is almost totally dependent upon mineral exploration and exploitation. For that matter, the future of all Canada depends, in a way, on how well our mining companies are able to exploit the resources we possess. After all, two thirds of the pre-Cambrian shield lies in our northern regions. As the former prime minister so often impressed upon the Canadian people, ours is a northern destiny. It is to this area that Canada must look for much of its future welfare, and particular importance attaches to the possibility of exploiting the mineral resources which we know exist in the north, especially in the Northwest Territories. The reason I call attention to the emergency gold mining legislation is that for the years immediately ahead the exploitation of gold presents the greatest hope, because gold is a product which returns the greatest revenue per ounce when it is placed on the market.

In closing these brief remarks I wish the minister well in his efforts to make a statement of the kind I know he wishes to make, so as to reassure the mining communities all over Canada. I urge him to bring to his department any ideas which may be new or different. I have in mind the kind of suggestion which my hon. friend from Qu'Appelle made to his successor in office, namely that the role of a minister is to bring to his department a new approach. He should not simply accept the recommendations of his senior officials, though it is not my intention to disparage or detract from the dedicated and competent continuity which those officials bring to a department. I am merely suggesting that in the years which lie ahead, even though the hon. gentleman's department may now represent, relatively speaking, only a minor budgetary expenditure, it is likely to play an increasing role in the Canadian economy, as we take advantage of the fact that the door to the north has been opened in the past few years and that the north does have a potential greater than southern Canadians have ever dreamed.

At the same time, I urge the minister to bring to his department a large measure of flexibility in reaching the kind of decisions they will have to make. The areas we are opening up are different; we have different problems. This was recognized by the former government. I am sure the minister will carry on this policy of bringing in a fresh approach.

**Mr. Martin (Timmins):** First, I should like to take this opportunity to congratulate the minister on his appointment to office. It may seem late to do so, but this is the first opportunity we have had. I do that on two grounds, the first of which is a purely personal one. If the minister thinks back to 1957 I believe he will recall he was the first member of parliament I met after I was elected in that year.

We met on the train going west. In the second place, I am also very pleased to see that a member from the north country, which is the real mining area of this great land of ours, a member who has lived all his life there and who understands us, is at present holding down this portfolio. I think it bodes well for the understanding required for this very important aspect of our economy.

In my remarks tonight I should like to deal in general with the gold mining industry. I think this is quite natural in that I represent a constituency that is almost completely dependent on that industry. I believe there is more gold produced in my constituency than in any other district in North America and, with the possible exception of one region of South Africa, than in any other place in the world.

We realize that the Emergency Gold Mining Assistance Act is going to have to be dealt with before the end of the year and it is not my intention tonight to deal with it at great length. We will have an opportunity later in the session to do so. However, the fact still remains that the act is so tied in with gold it is almost impossible to deal with the industry as a whole without touching on the Emergency Gold Mining Assistance Act.

I believe all hon. members have received a copy of the very excellent brief presented on behalf of the gold mining industry. It is entitled "Extension of the Emergency Gold Mining Assistance Act" and is a submission to the federal government on behalf of the gold mining communities of Canada. I should like to deal with certain sections of the brief, as it tends to deal with the gold situation as a whole rather than particular aspects of the Emergency Gold Mining Assistance Act. I will start on page 3 of the brief where it deals with the basic implications of the act that make the continuation of the industry possible. It has this to say:

> Despite extensive mechanization which has helped restrain inflationary cost pressures—by reducing the number of employees—

My first objection to the brief is to that latter statement. I think that the industry does not have a proper or healthy outlook if they think that is the only way that inflationary pressures can be reduced. The brief continues:

> —mining still requires considerable human effort. About 55 per cent to 60 per cent of mine operating costs go into wages and salaries. Mining is very much a "job creating" business.

This is very true, and as I develop my remarks further I should like to point out to the government how important this industry can be to the country and in meeting the problems that face our country at the present time. For example, if you compare the job creating possibilities in gold mining with the job creating possibilities in the winter works program I think you can see the point I am trying to make. In the efforts of the present government to find some way to cure unemployment this is one place they could look with the hope of having very beneficial results. The brief continues:

> For every $1 paid out in cost-aid a payroll of approximately $5 is protected, and a further expenditure of $2 made possible for operating supplies from many parts of Canada. This is a potent effect in human terms.

I should like to endorse that statement wholeheartedly. Any time that for the expenditure of $1 you can obtain the results outlined here is a very worth-while project indeed. The brief goes on to say:

> The companies and people kept working, mainly as a result of the existence of the act, have paid back to the federal government probably close to 50 per cent (including sales tax) of the cost-aid received; and this percentage would, as we read the Quebec metal mining association brief, be close to 75 per cent if all levels of government were included. While it is true, of course, that these people get valuable services from their governments, too, it is also clear that cost-aid is by no means a complete loss for governments.

This again is a very good point to keep in mind. The present figures for emergency gold mining assistance do not necessarily represent a true picture of the actual cost to the government, because as a result of the money expended and pumped into the industry benefits accrue to the government so that the actual cost is far less, possibly 25 per cent or more less, than the actual assistance figures.

The fourth point made in the brief was a very important one.

> No such accounting calculation can comprehend the far reaching secondary effects of the injection of federal funds. These effects multiply and echo through the national economy in diverse ways. The act therefore appears to us to be, in human terms, a productive expenditure program and not merely a package of more or less sterile transfer payments.

This, of course, is very true. The moneys paid for this purpose can turn up in many places. They can turn up in equipment and supplies needed to operate the mines and purchased from producers in other parts of the country. Some of these mines could only keep going because of assistance paid by the federal government in the past.

I should like to turn briefly to the gold situation throughout the world and more particularly the gold situation in the United States, because it affects us. If we refer to the brief again we find that at December 31, 1957 United States gold reserves stood at an all-time high of $22.9 billion while at that time only $11.9 billion was required to back United States currency. It is also pointed out that

despite the $15.2 billion in foreign short term dollar balances the dollar-gold position appeared to be reasonably good at that time.

The situation has changed drastically since then. We find that by August, 1963 United States gold reserves had declined to $15.6 billion while the currency requirement had risen to $12.2 billion leaving a current margin of only $3.4 billion compared with $11 billion just six years ago. During the same time the value of foreign short term dollar holdings had risen $10.3 billion to $25.5 billion. The brief goes on to say that the United States faces a gold and foreign exchange crisis of unprecedented proportions for such a nation.

This points out, Mr. Chairman, the growing need for the production of more and more gold. As I have said, the brief is an excellent one. There are a few points I disagree with and possibly I can deal with them tonight. It is obvious, however, that a tremendous amount of work has been done on the preparation of the brief. I would urge all hon. members who have not read it to do so, because I think it will give them a much better picture of the gold situation than they have had previously.

The problems that have led up to this situation are listed on page 4. I quote from the brief:

> World gold production has fallen far behind the growth rate required by expanding world trade under a gold exchange standard.

It may be said we are not on the gold standard, and that may be quite true. But the fact still remains that gold is the one commodity that is accepted anywhere in the world. It is one cash crop that any country would be glad to have. We in Canada are very fortunate in that we have gold reserves that have never even been scratched yet. The main problem is, how are we going to start developing them? If hon. members will look at the picture across Canada from coast to coast I think they will find that since the start of gold mining assistance in 1948 very few gold mines have gone into production. I know that there are none in my particular area of the Porcupine gold camp. No new producers have started since 1948. This is not because there is no more gold there. There is plenty of gold there. No one who has the wherewithal has been willing, under present circumstances, to put up the necessary funds to bring a gold mine into operation.

This leads us, Mr. Chairman, to look at the situation as it exists now. Over the last 15 years, since the Emergency Gold Mining Assistance Act has been in effect, the Canadian taxpayers have poured some $170 million to $180 million into the gold industry. The situation today is not as good as it was back in 1948. It is true that a lot of good has been done by this money. It has maintained a lot of mines, which in turn have maintained a lot of jobs, which in turn have maintained some gold mining communities. However, this measure is not the solution to the gold situation.

In the first place, I think we have to make up our minds just what we want to do in regard to gold production. We have to make up our minds if it is worth while to produce gold. I think anyone who has studied this problem will realize that gold is an almost indispensable product in the world today. Certainly, in so far as any country situated like Canada is concerned, it is extremely urgent that we do everything in our power to increase the gold production of this country. Let us face it, the day a gold mine opens it starts to die. Every day that goes by, every month and every year's production means that mine is that much closer to being finished. Regardless of whether or not we subsidize the mine to enable it to remain open, it is going to come to a close. Possibly if we had spent the money we have on the emergency gold mining assistance for the development of new mines, this country would be far better off than it is. Emergency gold mining assistance has not prevented Buffalo Ankerite from closing. It has not prevented the mines from closing and making Matachewan into a ghost town. It has not prevented Hollinger from announcing that it expects to close down at the end of next year.

We have to realize that the gold mines in the Porcupine camp are today about 50 years old and they cannot go on forever. Some two years ago the Hollinger gold mine poured a brick to celebrate $500 million of gold produced from that one property. It cannot go on forever. While we need this subsidy, as is explained in this brief presented to the government, to even maintain the status quo, what we really need in this country is a new mine to replace the Hollinger gold mine, and not a few more million dollars to extend the life of the mine for another year or two. We have ample evidence to show the need for the production of gold. I think we have ample evidence to show that we have the gold to produce. I think we have ample evidence to show that if the government takes the lead in ensuring the greater production of gold, it is going to solve many of the other problems with which we are faced, that is the serious ones. What we have to do is get on with this job.

As I mentioned earlier, it is not good enough to just pay this subsidy. This is not stimulating the gold industry. Unless we are prepared, as mentioned in the brief, to accept

the fact the emergency gold mining assistance is an old age pension being paid to a dying industry, then it is time we took a new look at the gold mining industry. It is time that the government adopted a courageous and vigorous attitude in its attempts to solve these problems. I think we can go one step farther, Mr. Chairman. As I have said, the assistance the government has given in the past has not stimulated any new production. None of the mining companies seem prepared, seem to have the courage or the desire, to develop new gold mines.

I think this government should, first of all, show the industry that they really think that the production of gold is worth while and should be stimulated. The present gold mining assistance should be increased, but even more important I think the three-year time limit that has always been attached to it should be abolished. It takes about three years to develop a mine to the point where it starts producing. As long as a company is only sure of its future for a three-year period, it will not take that gamble. I feel that until a longer term is available, until you see fit to abolish the three-year time limit and extend it to a ten-year period or, better still, extend it until such time as a more realistic price is available for gold, new production will not be developed. The government should adopt this program so that the mining companies are prepared to keep this industry alive, because they know it is something the country needs. Furthermore, if the companies are not prepared to go ahead when they know the government is going to back them, then they should be told to step aside and allow the government to go ahead. I think this is something of vital importance to this country and it is something that should receive the full attention of the government.

[*Translation*]

**Mr. Gauthier:** Mr. Chairman, although I am not an expert in mineralogy, I should like to make a few comments on the estimates of the Department of Mines and Technical Surveys.

Like those who spoke before me, I should like to congratulate the minister for his report. In the course of his remarks, the minister blew his own horn because he had cut down the expenditures of the department by close to $2 million compared with last year.

At this stage, I wonder whether he deserves congratulations or blame. In order to reach a fair judgment, we must look into each item to ascertain which ones were cut down.

If he did cut down the expenditures of a probably top heavy administration of the past years, he deserves congratulations. But if he has cut down the items concerning research or some other fields, I think he should deserve a little blame. However, we will wait till we have more information before we pass judgment. We shall tell him a little later if he did well or not.

Mr. Chairman, everyone is aware of the fact that the province of Quebec is one of the richest provinces in all kinds of ores, but when you take a look at the estimates, and more particularly at item No. 35 concerning the international boundary commission, you are a little puzzled, because we then resemble that man who looks too rich and who is surrounded by all kinds of people trying to pick up some of the crumbs of his fortune.

After the minister's observations, two ideas came to my mind.

The first is concerned with the determination of boundaries. The hon. member for Lapointe (Mr. Gregoire) has drawn the shape of things to come, in the house, the other day, in order to forewarn the department. This evening, without any bias, I would like to mention that point to the minister, so that he could this year look more often towards the northern and western regions of Quebec. Thus we might perhaps avoid waking up one day with only the centre of Quebec left, because the periphery of the province would have been gnawed away, piecemeal.

At this stage of the debate, I would like to speak of the boundary around James bay, Hudson bay and along the coast line.

I submit that the people in the mapping division should apply to Quebec the rule which generally applies to other provinces, and see to it that the water line is determined not at high tide but at low tide.

I wish to state once again that the province of Quebec does not ask for the lion's share. I, for one, would be quite satisfied with limits drawn at low tide, which would allow Quebec to protect all the islands along its coast line. It seems to me that it is vital for us to protect these islands which have unheard of resources.

That is why the province of Quebec is so attached to them. The provincial government has set its heart on them, and the federal government should do its part, and co-ordinate its activities with those of the government of Quebec, so as to determine once and for all the dividing line, and allow us at last to know how we stand in regard to James bay and to the whole coast line.

I should now like to go on to another question, perhaps a more burning one this time. I refer to the Quebec-Newfoundland boundary.

Some years ago, we agreed to hand over a strip of the Quebec sea coast to Newfoundland so that this province could raise her economic level by grabbing, if I may put it that way, some of the splendid mining resources of the province of Quebec.

We, in the province of Quebec, were hoping then that the coast would at least not extend, on the average, beyond 12½ miles from the shore line. Well, today, we realize that the mining companies, thanks to a misinterpretation of a court decision, have gone beyond that 12½ mile limit and have been penetrating more and more deeply into the province of Quebec.

In fact, they are now more than 450 miles from the coast. If they keep going at that rate, I would say that in a year or two they will have taken over half the province of Quebec.

While the hon. member for Lapointe was speaking, I heard someone ask: But do you intend to take over other boundaries to the south? He meant: Do you intend to take over other regions belonging to other provinces? That is not our intention, Mr. Chairman. We intend to stay in our own province. We are ready to make concessions to give other provinces a chance, but to give all we have, that is something else again.

That is why I raise that point. I hope the present minister will take these two matters into consideration and will take action, this year, to define once and for all the boundaries between Newfoundland and Quebec.

Tonight we are not asking for the moon. It seems to me that our requests are absolutely logical and proper. I am convinced, knowing the minister's good will, that he will do us justice in that respect.

[*Text*]

**Mr. O'Keefe:** Mr. Chairman, I have no intention of delaying in the least the adoption of these estimates, yet I am most anxious to make a comment or two on behalf of a desperately depressed mining area. But first of all may I congratulate the minister on his appointment and wish him well in his responsible position.

A few short years ago 2,500 men worked the Bell island mines in Newfoundland. Today only some 800 are precariously employed, never knowing from day to day just when their turn may come to receive the dreaded dismissal slip. And remember, Mr. Chairman, when a man is laid off on this island it means much more than the loss of a job. It means his little home, so often the only tangible evidence of his years of employment, and often of frugality, is worthless, or nearly worthless. It means his whole life's investment in his community, school and church is gone. The unemployed miner has to move away and no one wants his home. He can get little or nothing for what, in effect, is his whole life's savings.

I would urge the minister that he examine the possibilities of a subsidy. This would overcome the price handicap, if price handicap or price is a problem, and it usually is. I would also urge investigation into the possibility of establishing a direct iron or steel plant at the Bell island site, and I would once again urge the possibility or practicality of stockpiling.

A few days ago I was intensely interested to observe at first hand exciting experiments now being carried out by experts in the minister's department. We all anxiously await a technological breakthrough, but I know the department is moving steadily ahead, and in my opinion it is an enthusiastic and dedicated department.

Yet, with regard to Bell island, surely someone should be doing something positive about the Wabana situation. In my view there are two distinct aspects to the problem. The first is investigation of it. An assessment should be made of the precise minimum level of production at which the mine could continue to operate. This would require frank and open discussions with company management, by a board or by this department. The board should do a thorough analysis of the age, skill, sex, education, etc., of all those living on the island, and take an inventory of the island's social capital. Some of this information may be available, but it requires completion and analysis.

The investigational aspect would have to be backed up by a program of action approved and supported by the provincial and federal governments. It might be possible to bring some form of small economic endeavour to the island to support a part of the present population, particularly the older members of the community. In the main, however, the islanders require information as to the possible magnitude of the problem, possibly as to the federal assistance available for movement to jobs elsewhere, and as to retraining opportunities. To date, attempts to employ Bell islanders elsewhere in Canada have not been very successful. Some form of pension scheme for early retirement might be part of the answer. It has worked well elsewhere.

I think, Mr. Chairman, that Bell island could be symbolic. It could be symbolic of what this Canadian government can and will do for its own. I hope we can somehow arrange for Wabana to be an experiment in assistance—a kind of pilot plant, if you will; an example of the rekindling of human hopes and lives and the reconstruction of an economic area. Here we have, first of all, a

concentration of population on a very small site, an island nine miles long, three miles wide, with a population of 12,000 to 14,000 Canadians. That very fact simplifies the initial problem of gathering the vital statistical information on which a plan of rehabilitation must be founded. It simplifies gathering the facts about education standards, aptitudes, interest in remaining on the island, and studying to acquire the academic knowledge essential to entering into a variety of technical and skilled occupations. On this kind of information an effective program can be founded that will attempt to deal in a well organized way with the many problems that are involved.

We have, apart from provincial resources with respect to education and vocational training, partial support during the completion of a training program, help in agriculture and fishing, among other things, and such organizations as the Atlantic development board, the new Department of Industry and other federal agencies. With all these powerful resources from which aid may be drawn, it should surely be possible to provide the solid basis for a viable community with a diversity of economic interests. It may not be expected that Bell island can show any measurable growth in population. The important thing at the moment is first of all to give those people hope. I repeat that this is a challenge to all the agencies, old and new, that exist in Canada for economic rehabilitation. Surely there are many, such as APEC, A.D.B., A.D.A., ARDA, plus a few provincial and federal ancillaries. The problem of Bell island cries out for solution, not sympathy.

A few evenings ago I noted with interest, some amusement and more amazement, a speech by the hon. member for Lapointe in which he discussed the possibility of tearing Newfoundland Labrador from Newfoundland. I think the same idea was expressed tonight by the hon. member for Roberval. They seem to have forgotten completely that Newfoundland Labrador was awarded to Newfoundland by the privy council in 1927 when Newfoundland was not Canadian, when I was not a Canadian. So that in effect Newfoundland, with confederation, brought Labrador back to Canada; not necessarily to Quebec, but certainly to Canada. This is one gift of the many that Newfoundland brought to Canada with confederation, and for which she has received very little credit.

**Mr. Hamilton:** Mr. Chairman, I have the opportunity this evening to pay my respects to a department which, during the time I was a minister of the crown, served me very well and won my complete admiration. Now as a member of the opposition I would like to say in public in this house what I said in private to those in that department when I was a minister of resources. Knowing the workings of several departments, I do not think I am being unjust to any other department when I say with deep feeling that there is hardly a collection of officials in our government where so many brains, so much enthusiasm and dedication is concentrated in one area.



**Mr. Benidickson:** How very nice of you to say that.

**Mr. Hamilton:** I want to emphasize in my remarks this evening, as I welcome the new minister who is presenting his first estimates, that his department holds for Canada a very important place. They must always be, as they have been in the past, the eyes and ears of the development of Canada's resources. They are a department that has gone ahead and surveyed our country, mapped it and put the research into a form that private business and other governments can use. We see large newspaper headlines when a private company discovers some mineral or oil resource, but usually the Department of Mines and Technical Surveys, in some report sometimes hidden away in their files for many years, has already indicated the possibilities of such a find in that area. This applies to such dramatic finds as those in Blind River, as well as the oil surveys and showings in the northern territories.

Therefore this department is providing tremendous assistance to private enterprise in providing maps and information for use in exploration. Those who are going out to locate minerals or petroleum products underneath the surface of our soil would be wise always to send their exploration people first to the files of the Department of Mines and Technical Surveys. If they search those files carefully they will usually get the clues as to where to look, and thereby save a great deal of time and money.

My remarks this evening on the various programs of the department will be, I hope, exceedingly brief. I would like to say that I hope the new minister adds his weight to that of previous holders of this office in supporting the extended hydrographic program. The announcement made by the minister in the house recently indicates that this will be done. I also hope the minister will continue to support previous ministers in regard to the oceanographic institute in Halifax. The report given by the minister recently indicates that this will be his attitude.

One may wonder as to the importance of a hydrographic survey and an oceanographic

institute. I recall that I once asked, when I first became minister, how long it would take to find out the depth of the sea off our shores at the rate at which we were proceeding at the time we assumed office. The answer was—I suppose it was an estimate—that at the rate we were proceeding in 1957, it would take 250 years. So we embarked upon a program of doubling the hydrographic service areas and we cut that figure down to half. What I am really saying is that this increase in program, such as the new program of shipbuilding, and so on, that is being put into operation, means we can concentrate on where the need is, and instead of our having to go to the United States navy and have them carry out a hydrographic survey for us to find out how deep are the waters off our shores, or what is the access for other countries, we will have the facilities in our own department. I am glad the minister has shown an understanding of the importance of this program in the long range planning of the development of our resources.

There was one program about which I wanted to speak with some feeling this evening, but I have decided not to go into it too deeply at this time. I refer to the polar continental shelf program. I hope the minister is watching this program very carefully. I think he understands and fully appreciates the tremendously important results of the work now being undertaken under this program.

It will be recalled that in 1958, at the law of the sea conference in Geneva, four articles were passed by the conference. One of them said that land under the sea off the shores of any country was the property of that country as far out as it could be developed. As far as I can find out from the Department of Mines and Technical Surveys, this acquisition of the right to explore and develop the continental shelf off our shores has added approximately one eighth to the area of Canada, roughly 12 to 13 per cent. If we had gone out and by force of arms added one eighth to our resource area, this would have been a great headline story in all the papers around the world. But because the nations of the world in free discussion made this part of international law, we have added to our territories this immensely valuable resource area. Indeed, the Department of Mines and Technical Surveys started immediately on a polar continental shelf program to explore this very valuable additional territory.

At this moment I should like to suggest to the minister that the polar continental shelf is a co-ordinated program, with all types of scientists engaged in a study of that area. It was no accident that we started on the northern fringes of the islands. It is no accident that we are working back into the Arctic archipelago in order to get the information we need. But I now suggest something about which there is no urgency but which should not be forgotten. We cannot find out all about the geology of our continental shelf and of our islands in the Arctic archipelago or the north generally until we know more about the earth's surface below the Arctic ocean.

I would remind the minister that a conference was called in Calgary under the auspices of the Canadian geological association some three years ago in which the nations of the northern hemisphere brought all their knowledge to bear and had a series of discussions about Arctic geology. This conference was very valuable to all the nations which attended. Many of us were tremendously impressed and awed at what seemed like the tremendous knowledge of the Arctic ocean of the neighbours of Canada across the Arctic ocean, namely the U.S.S.R. Some of us hoped at that time that this example of a conference of the northern nations concerning Arctic geology would be carried forward into an active program participated in by many of the countries of the northern hemisphere in a systematic attack on finding out what we need to know about the earth's surface underneath the Arctic ocean, so as to know more about the geological province which lies adjacent to our country.

We are completing at the present time a tremendous world-wide program known as the geophysical year. I think the actual physical work has been completed for some two or three years, but the accumulation of all the papers is still going on. Here is an example of the countries of the world co-operating, moving into each other's territory and finding out about the earth's surface in a massive, world-wide co-operative effort, in this program we know as the geophysical year. Would it not be a good suggestion if we could apply this co-operative approach to having the nations of the northern hemisphere start thinking in terms of a joint program supported by all these nations on finding out about the geological province which exists underneath the Arctic ocean? It would be of great value not only to the United States because of its interest in the state of Alaska, but also to Canada with a great area in the north. This would apply as well to the Danes, the British, the Norwegians, the Swedes, the Finns and the Russians. I think all these nations would gain tremendously from such a joint program. I know we are not very far advanced with the subject of oceanography; other countries are away ahead of us. We need to know more about these currents, so as to know how to use them to our advantage.

But on the question of the earth's surface, about which I was speaking, I hope the suggestion I have made will be considered by the minister over the next two or three years and that this idea will not be dropped. The original credit for it goes to the geological association of Canada, but I hope the government will always be in a willing mood to discuss this with any country. As hon. members know, the previous government offered to the Russians co-operation in making available that information which we had, if they did the same for us. I hope that this same offer will be continued by the present government.

I should like to conclude my remarks, Mr. Chairman, with a short statement on the ground water surveys in western Canada. In that area, like many other parts of the country, we are face to face at all times with the necessity of obtaining water supplies. We have made a move or two to reserve some of the surface water in the prairie areas through our dug-out programs, our dams on the streams running into the stems of the major rivers, our dams on the Saskatchewan river and the Qu'Appelle river, the irrigation works in Alberta, and I hope also one of these days the dams which will be constructed in the eastern Rockies. We are doing a fairly good job with the surface water, but of course other things of tremendous moment have to be done in the next ten or 20 years. However, I hope that the ground water component of the water supplies to the western prairies are not overlooked.

I know that in the final analysis the discovery of water in underground sources, whether it be in a river or in a great underground pool, and whether it is salty or potable, will depend on the drilling of wells; and this is exorbitantly expensive. But knowing the tremendous genius of the scientists of the Department of Mines and Technical Surveys, I think that a technique can be evolved that at least gives some indication where to look when we have to start a well drilling program. I hope that what we put into the estimates some time ago will enable a start to be made on a groundwater survey program by air to see if this technique could prove out and be proceeded with, because the actual first work which was started was very tentative. I hope the program commences at the United States boundary in Saskatchewan and works its way north, because there is a desperate need for some sort of water supply greater than we can get on the surface. If the Department of Mines and Technical Surveys can point the way towards these underground rivers and these underground pools of water, if they are in sufficient quantity I can assure the house that the monetary return to the general wealth of Canada will be immediate, because several chemical operations would start up all through that portion of the so-called Palliser triangle if water supplies were available for chemical operations.



If we want to provide diversification of industry in Canada and if we want to strengthen those areas which are too dependant on a one-product economy, then this particular area of southern Saskatchewan is one sector of the country where we would like to see the ground water table survey extended and continued. I know that the item of cost is not very high because I am not asking that there be a well drilling program, although this will have to come eventually. But I should like to see whether the genius which I know exists in the department could not be brought to bear on the airborne technique, which would give us indications of where water supplies are underneath the surface of the earth.

That is all I intend to say for the moment, Mr. Chairman, but I do want to serve notice on the minister that I will be asking some questions on these matters I have raised in more detail when we reach items 40, 70, 75, 80, 90 and 130.

**Mr. Davis:** Mr. Chairman, I too should like to say a few brief words about the mining industry and the estimates of this department. However, before doing so I should like to congratulate the minister on his appointment. Coming as he does from a mining area, he is bringing considerable knowledge and competence to his department. Personally I have heard nothing but good of him as well as of his officials in the operation of his department since his appointment. The main burden of my remarks will be the mining industry in relation to the rest of the country, and its growth, and more particularly the operation of the mines department in the context of all the government's activities. These certainly need to be co-ordinated if we are to obtain the best of all possible worlds.

The mining industry has grown very rapidly. It has grown more rapidly than our other principal resource industries. This is a fortunate thing for Canada because considerably more than half of this great nation of ours can produce only mineral resources as a major product. Agriculture is limited in extent. Even our forests are limited in area. But our territories which can produce minerals are vast indeed and encompass not only the land area of the nation but the continental shelves, and many of the lake and river bottoms. So it is fortunate that the mining industry is expanding and that the future holds

promise of an even greater expansion than most of the primary activities of this country.

It is a big volume industry which depends very much on international trade. If it is to produce more jobs for Canadians it must contain a great deal more processing within its compass. This is where a good many jobs in the future lie. The mining industry has become immensely more efficient, so employment in the mines themselves is not a major source of income in this country. It has to be in respect to producing the machinery, the capital goods required, the transportation systems and, more especially, the processing plants that employment must be sought. Here is where the great prospects for employment and income lie.

The industry has to look much further ahead than in years gone by. The big investments necessary are made only in the light of long term market analyses. This is another reason why the government is well advised to be making its plans, not on an annual, but on a five-year basis. Contracts should be awarded for more than one year at a time. In this way the mining industry will obtain more guidance from the government and be able to make sounder investments. The market analyses carried out by the government economists, the mineral specialists in the resources division and those who work with them should be looking over the entire field to see what is happening, not just with regard to minerals but with regard to competitive materials. In the field of energy, for example, we should not focus our attention upon only one means of production, be it oil or coal or nuclear power. We should be looking across the entire field to weigh up the competition and how the market should be shared. This is one of the reasons why activities in government should be co-ordinated to a greater extent.

In the field of energy we have the national energy board concerned primarily with oil and natural gas. The Department of Trade and Commerce is concerned with the export of various by-products. The department of northern affairs is concerned with water-power, the new Department of Industry with atomic energy and the mines branch with the coal. It is all very well if these activities go on separately with respect to the purely technical side of their administration. It might be satisfactory to have these things compartmentalized, but there has to be a measure of co-ordination especially where market analysis is involved. Perhaps this could be done in a summary way under the new national economic council, but I suggest that it would be better if more of these activities were transferred to the national energy board. I am thinking now in particular about market studies and trade prospects, the guide lines we shall be using to determine which areas of investment are most attractive, which warrant more government assistance, and so on; in other words, the orientation of these programs in the general context of business prospects is essential.

I should like to boost the mineral resources branch which certainly has been looking at longer term prospects of this industry. It is beginning to look abroad and I trust its activities are being co-ordinated with those of the Department of Trade and Commerce with respect to world markets, trading arrangements and so on.

The surveys and mapping branch has been in existence for a longer period of time. Its extensive reports over the years have been a virtual mine of information to prospectors who have spent their winters reading in well thumbed notebooks where the occurrence of one mineral or another has been recorded. From such information as this have come important discoveries. From the more extensive surveys has come the elaborate data necessary for the discovery of big volume resources such as oil, industrial minerals, potash, salt and so on. Then there are the aerial surveys promoted by this department. These have provided a great source of information for Canadian industry. Aerial surveys, magnetic surveys and the like can be carried on under contract in other countries. The Colombo plan has provided an outlet for this type of expertise, and a new Canadian industry of this character has grown up largely as a result of the activities of this branch of the department.

The mines branch has done a tremendous job with regard to the processing of minerals, chemical extraction techniques and so on. The new nickel extraction industry on the prairies is one of the products of this research program. The upgrading of iron ore is also carried on. New mineral resources have been developed and their processing has been advanced. The processing of uranium has largely been perfected by the mines branch in Ottawa. Many new developments are likely to take place in the future and I can think of one in British Columbia which is typical of the prospects which are now before us. These will result from increased investment in research and processing techniques. I refer to extensive coal deposits on the edge of my own riding, one of the largest in western Canada. This is undoubtedly one of the cheapest sources of energy on this continent, if not in the whole world. It contains a high percentage of ash. This ash is rich in alumina, the raw material from which aluminum is produced. Today we import this product from foreign countries; yet here, in a large coal

deposit in western Canada, is a vast supply of this raw material. The mines branch can carry out research on raw materials such as these and help develop techniques which are best suited to the resources of this country so as to make us increasingly self-sufficient with respect to raw materials.

I have been stressing the importance of research. Research, generally speaking, must itself be referred to as a growth industry. Certainly, it is one of the fastest growing industries on this continent; it has been roughly doubling in size every five or six years. No other industry can match this pace. It is an industry of ideas, and one idea tends to give birth to another. As I say, this expansion is going on and we should not leave too much initiative to other countries. We should concentrate this generation of ideas upon the areas of greatest advantage to our resource industries and, more particularly, upon the processing of our raw materials. The mines branch is doing just that. This is one of the reasons why I personally would urge that proportionately, and in the aggregate, considerably more money should be spent in mineral research, processing research and research in the area of mining in this country. Such research will result undoubtedly in unique resources attracting unique processing industries, and we will attract and hold industries which will last and will be more competitive than some of our secondary industries in international trade. Because they are essentially unique they will be located in the more remote outlying areas of Canada, which are otherwise very difficult to develop.

I have really been emphasizing in my remarks the fundamental economics of not only much of Canada, but all of Canada. To a large extent we are living off our resources. Mining, like forestry and agriculture, is one of our great bread and butter industries. This industry deserves considerable attention and support. Personally I do not believe in subsidies. I believe that the government can help through research, through negotiations in respect of tariff barriers and encouragement of further processing. However, subsidies may occasionally be necessary and if they are necessary they should be introduced with the idea of eventually tapering them off and eliminating them in the long run. This requires at the same time long term forecasting, looking well ahead, long term research, research aimed at the second and third decade.

I believe that in the mines branch this sort of thing is going on. In my view, more of it should be carried on in Canada, and I believe we are well on our way to improving our economic lot and finding jobs for Canadians in parts of Canada which otherwise would not develop as rapidly.

[Mr. Davis.]

**Mr. Southam:** Mr. Chairman, I would feel I had not discharged my duty tonight if I did not make a few remarks on the first item of the estimates of the Department of Mines and Technical Surveys. First of all, I wish to associate myself with other members in expressing congratulations to the new minister on his presentation of the estimates for the first time. I have known the genial minister for a number of years. I have also had a close association with the officials of his department and I have found them to be intelligent and sympathetic in helping to solve some of the problems in my riding. They are greatly appreciated indeed.

I should also like to associate myself with the remarks made a few minutes ago by my colleague, the hon. member for Qu'Appelle, when he referred to the fact that we should not treat the Department of Mines and Technical Surveys as an insignificant department. When I think of the policy of the former government in developing roads to resources and the surveys that have been made by members of this department together with members of the Department of Northern Affairs and National Resources, and realize the great potential for the future that lies not only in those parts of Canada with which we are more familiar but in some of the areas of the north that have been mentioned, my only regret is that I will not be around 50 or 100 years from now to see what actually develops in this regard. Looking into the future I see a terrific amount of work and a terrific development in the department, and the contribution it will make to the standard of living in Canada in particular, and in the world in general.

As I come from an agricultural area in Saskatchewan where 60 per cent of Canadian wheat is produced, some members may wonder why I am taking the time of the house to discuss matters having to do with mines and technical surveys. I believe I mentioned on another occasion in the house, and I repeat it now, that 20 per cent of the coal deposits in Canada lie within the boundaries of my riding of Moose Mountain. Twenty per cent of the lignite coal deposits in Canada are centred around Bienfait and Estevan. These deposits, together with our agricultural resources, make up a large part of the industries and resources of my riding, and as the member for that riding I wish to bring certain matters to the attention of the house and the Department of Mines and Technical Surveys.

In passing may I say I appreciate very much the attention that the coal industry has

been given in my riding. I recall now the fact that recently Mr. Mel Brodie was appointed to fill the recent vacancy on the dominion coal board. Years ago Mr. Brodie's father pioneered the development of the coal industry in that part of Saskatchewan and this work is now being carried on by his illustrious son. This appointment has stimulated a great deal of interest among coal producers in that area.

Another move that was greatly appreciated and which was undertaken by the former government under the Leader of the Opposition and the former minister of mines and technical surveys was the amendment of the Coal Production Assistance Act. Under the old act passed by the house in 1949 we found ourselves greatly handicapped in that under that act approximately 30 cents a ton at the pithead was required to repay a loan. This sounded fairly reasonable, but it was more or less based on the fact that the wholesale cost of hard or anthracite coal was around $9 to $10 a ton at the pithead, and 30 cents a ton for the repayment of loans was not too big an obstacle to overcome. However, when this formula was applied to lignite coal, which is worth about $1.90 to $2 a ton at the pithead, 30 cents a ton percentagewise was exorbitant and worked quite a hardship on coal production in our area. Since the application of the new amendment to the Coal Production Assistance Act the repayment factor has been cut down from 30 cents to 18 cents a ton, and this has greatly assisted and accelerated coal production in our area and has made the prospects of economic stability for the industry a lot brighter.

There is another thing I should like to mention in passing, which was referred to in the house a month or two ago by the Minister of Trade and Commerce when he made a statement on the attitude of the government so far as the national energy board is concerned. He referred to the fact that the present government was going to follow through on the policy espoused by the former government with regard to the development of a national grid system in Canada. We know that sources of power are the sinews of industry. A few moments ago I referred to the fact that in the riding of Moose Mountain we have 20 per cent of the total lignite coal deposits in Canada. Naturally the people of that area are very interested in the development of a national grid system because here in the centre of Canada there is a great source of cheap power that could be fed into such a system and, of course, directly and indirectly this would enhance the economy of that whole area.

At the present time the Saskatchewan government has quite a large steam-turbo power generation development at Estevan, Saskatchewan in which I believe there has been an investment of about $40 million, but this development is only in its infancy compared with the total potential. I believe the production cost now is somewhere in the neighbourhood of three to four mills per kilowatt. Engineers understand more about the production of power than I do and they will appreciate the fact that this is a very low cost factor and that the possibilities are terrific if we think of the development of power in the future in the area in and around Estevan, and the feeding of this cheap power into a national grid system. As I say, we are looking forward with great anticipation to the enhancement of our economy by this development in the years to come.

I think the Minister of Mines and Technical Surveys will also be interested in becoming more acquainted with the fact that along with coal production in our area there is a vast oil production development in Saskatchewan, particularly in the southeastern part of the province. The figures I have available to me indicate that something like 5,025 or 5,028 producing wells are now active in the province of Saskatchewan and I was very happy to find on checking further that over three quarters of them are in southeastern Saskatchewan within the boundaries of my riding.

This, in itself, in the opinion of a lot of people, is going to enhance the economy of that part of the province. Of course, anything that can be done under the national energy board to further expand the market for oil is naturally going to be of great interest to the people in Saskatchewan. We want to fully develop not only our agricultural resources, but we want to become known for the industrial and mineral development in our province. We want to develop a reputation that we do not live by bread alone.

There is another development in our corner of the province about which I want to question the minister later under some other item in his department. I refer to the production of clay products. We make some of the finest bricks in western Canada at Estevan, Saskatchewan. They are made by Saskatchewan Clay Products. For some reason that I have not been able to discover, we have not found a large market for these bricks. They have not been used in the construction of federal buildings. I have had a number of inquiries on this point, and I am going to make a further investigation in order to ascertain whether this is due to some weakness in our purchasing system or to some flaw in the product itself. If there is some flaw in the product, we would like to know about it. We have not, as yet, had a

definite answer as to why Estevan clay products have not been used in the construction of federal buildings.

We have, of course, other minerals in Saskatchewan apart from those found in my area. I do not want to usurp the time of the committee, but I think most members are aware of the fact that Saskatchewan has become the leading potash producer in the world. In the riding of Melville, a short distance north of Moose Mountain, we have the International Chemical Company potash development. It has become recognized as one of the world leaders, as a result of the development of a system of mining which was finally successful after a great deal of financial hardship and a great deal of work. However, it has turned out to be one of the most successful potash mine developments of which we are aware. Of course, we have salt mines and other minerals in minor quantities. I thought I should mention these facts in passing, Mr. Chairman.

I shall have further remarks to make, perhaps later when we are discussing the other items that come under this department. I felt however, I should bring some of these matters to the attention of the committee at this time.

**Mr. Peters:** Mr. Chairman, I should like to join with others who have congratulated the minister on his appointment to this office. I do so for two reasons that have not been mentioned. The first is a very important one, and that is the fact that the minister comes from northern Ontario. Second, he is the only member of the cabinet with the political affiliation of Labour-Liberal. I think both of these facts are to his credit.

The department of mines, Mr. Chairman, has been of great importance to a large segment of our economy. I think it is of interest to look at the department of mines in conjunction with a number of other departments, because these departments have problems which are similar in nature. I refer to the departments of mines, forestry, fisheries and industry. The Department of Agriculture, as everyone knows, has received more attention from the members of parliament than probably all the other resource departments put together, because of the rural representation we have had in parliament for years.

However, there is a division of responsibility between the province and the federal government in each of these resource departments. I am sure that the people interested in these resource industries find their connections with the provincial departments much closer than with the federal departments. I am not one of those who think that this is a good thing. I believe it may be to the advantage of many of those engaged in these industries if there were an extension of the jurisdiction from the federal field into the provincial field, rather than a division. I think this is true of the department of mines, just as it is true of several others.

We in northern Ontario look to the department of mines as an indication of what is going to happen in connection with the newly formed Department of Industry. We have found that very little more was accomplished as a result of the establishment of the Department of Forestry than had been accomplished in the past. In spite of the raves that preceded the introduction of that department, the results have not been spectacular in so far as individuals engaged in that field have been concerned. This, of course, has been true of the department of mines as well. There are very few miners, I would suggest, in this country who have ever met a representative from the federal department of mines. This does not mean that the federal department of mines has not been very active in their affairs or interested in their problems. However, the contact between the federal department and the miner, or those working in the mines, has been slight to my knowledge.

The same situation prevails, of course, in other departments. The reason I put forward these suggestions is that we are looking back at mining to some extent in my part of the country and looking forward to the Department of Industry being able to accomplish some of the things that have not been accomplished by the development of primary industries. Timiskaming, in common with other like areas, is looking forward and hoping that some of the problems that have developed in the past will not be carried forward. This is my reason for comparing the two departments.

We have in Timiskaming, in common with the hon. member for Timmins, a major portion of the gold mine production of Canada. As the years go by this production continues to decrease. It is true that in my riding we have a new producer on the horizon. It is true also that since the report of the emergency gold mining assistance was presented, two mines that were in production then have ceased production. It is to be expected, of course, that there will be a continuation of prospecting and developing of gold mines, but this is something that is not going to be discussed during the consideration of these estimates because it involves the Department of Finance as well. However, the storm warnings are flying across the world indicating the need for a discussion of the relative positions of gold and silver

in the monetary affairs of the world. At the moment there is a shortage of these two basic commodities, gold and silver.

The United States is being pressed to make concessions in connection with both of these commodities and has already done so to a limited extent in connection with silver. Very little has been done about the problem of world demand, Mr. Chairman, but some of these problems could be solved if the price of gold were set at $100 per ounce. There are those who would say this is unrealistic, and I am not the one to say whether it is or is not.

The government has received many representations on this subject. Only recently the Prime Minister was given a copy of a presentation from a Mr. Crump who has been making suggestions on international monetary matters for some time. He presented his latest one to the Prime Minister on May 29 last, and pointed out that the problem in relation to gold in the international field is as serious today as it was in the 1930's. He pointed out that in the United States in the 1930's $60 billion in currency and deposits was backed by only $4 billion in gold. Then, because the problem became acute, the United States raised the price of gold from $20.67 an ounce to $35 an ounce, but the situation has not got any better. It has gone from bad to worse, because the amount of currency is increasing by $300 million annually and is only backed by $16 billion in gold.

I am not going into an argument as to whether we should have the backing of gold for our basic transactions, but Canada should study this matter and see what it can do to its own advantage. If the price of gold goes up, there are very few countries in the world which would benefit to the extent Canada will. We have large exports of gold at present, and in my opinion if the price of the product could be raised substantially we would increase the value of our exports.

However, we have been told, "Let's not rock the boat." I remember the former minister of finance replying to a question of mine, which asked whether the government intended to press for an increase in the price of gold at an international monetary fund meeting, and he said, "Good heavens no; we will rock the boat; something may happen." I have thought about that answer a great deal in the interim. I have also read a lot on the subject and I am of the opinion that the only way it could rock the boat would be to our advantage.

But if this were not the case, then so what? If the price dropped completely out of the market, so what? Unless it is given another shot in the arm the gold mining industry is already on the downhill slope. In my riding the largest producer of gold on the North American continent faces a very limited life because of the depletion of ores and because of the geographical situation. Therefore unless Canada is interested in facing the problem of gold and what to do with gold in relation to its economy, the Emergency Gold Mining Assistance Act, and other crutches we supply will not be of much advantage.

I know we will be discussing E.G.M.A. later this year, and we will be asked to extend this legislation. I do not expect there will be another 25 per cent boost in the payments, such as was provided last year. I have not heard any rumours which would lead me to believe this is going to happen, but I think the minister should indicate that he will remove the word "emergency" from the title of this act, because this would stop municipalities and gold mining communities having to come to Ottawa time after time asking for a continuation of this emergency aid.

The act was passed in 1948 as a remedy. It did not provide the full remedy, but it is a crutch upon which the industry has been hobbling along, and that crutch will have to remain until the industry ceases to produce gold. Let us be realistic and decide what amount gold should cost on the international market, and how we can actively press for that price.

In addition to representing the gold industry and one of the largest iron mines in the nation, I also represent nine of the 11 primary silver producers in Canada. This industry is being treated in much the same way as the gold mining industry, except that for years the gold mining industry has been able, through highly priced, successful lobbyists, to bring its grievances to the attention of the government in a much better way than the silver industry.

There is a world shortage of silver, and the industry should be given government assistance for stockpiling purposes. It is located in a sufficiently small area and is controllable enough for the federal government to be able to buy its total production for coinage, if for no other use. We all know silver has two uses, one a monetary one and the other industrial. It is a very valuable substance, but the decline in the supply of silver is causing the United States government grave concern.

Its price has been raised from 91 cents to $1.29 to protect the supply which the United States has, but not enough is being produced and used for industrial purposes. Here again the federal government should do more to assist the silver industry. If it did we would not have the Minister of Finance getting up, as he did the other day, and saying not enough silver dollars could be minted for those who wished to buy them.

If the price of silver were to reach its own level, without the restraints that have been placed on it by the United States, the price would rise rapidly and many of the industry's problems would be solved. I believe the federal government should get more control and involve itself deeper in the production of silver, particularly from the refinery stage onwards. The previous government signed a contract with the Cobalt refinery whereby it agreed to purchase a sizeable sum of silver from this refinery, but until all the mines in the area take part in supplying the refinery, difficulty will arise in maintaining a price which will be competitive with the smelter in Montana. So long as the federal government co-operates, as it has done in recent years, in making concessions in the freight rates on ore being shipped to the United States, it will be difficult to encourage the Canadian mines to ship their silver locally.

One of the big producers finds that until this refinery is in a position to give a guarantee of being able to handle all their silver at a set, agreed rate and provide guarantees that will make it possible for them to reach this long term agreement, they are not in a position to give up their contracts in the United States.

I think some sympathy has to be given to the company, because they were dealing previously with a Canadian company, and when the Canadian company decided to fold up, this left the Canadian producers without markets and they had to go outside our country for the refining of their product. This meant, of course, that the Canadian government had to go to the United States to buy back the silver that we use for coinage purposes. I think that we as a growing nation, a nation not only of one nationhood but several, should be in a position to supply our own coinage from silver that is refined in this country and delivered to the mill. I suggest this program should be undertaken. It is not very much to ask for, because I am told that our silver meets the requirements of the Canadian mint and I think the industry has been able to convince the provincial and federal governments that there is a need for establishing the guarantees necessary to allow the mining industry to deal with this refining.

The silver industry would like other things. It would like the assistance of the department in bringing to the attention of the minister's colleague in the Department of Finance the need for providing silver producers with the same precious metal mines depletion allowances that have been provided for gold producers. All mines, of course, receive a depletion allowance, and the gold mines are in a more favourable position than silver producers. We think the precious metals depletion allowance should be applied equally to silver producers. I ask for the intervention of the minister in this connection because until the Department of Mines and Technical Surveys considers silver to be a precious metal under the terms of the act, it is doubtful whether the Minister of Finance will consider the tax exemptions that would accrue from this designation.

We in northern Ontario desperately need a geological survey conducted by the federal government. We believe this would be worth the government spending a considerable sum of money in accomplishing. Hon. members will remember the history of Canada back in the days of the silver boom of 1904 in Cobalt. Certainly I do not have to tell hon. members of this house the history of the gold mining industry in northern Ontario. I am quite sure every member here has a relative who either became very rich or went bankrupt because of buying stocks in some of the mines in the early days of Cobalt. I am sure there are in parts of Canada other than in northern Ontario rooms in houses which are papered with mining stock that is about as valuable as wallpaper today, except for its souvenir value. This was an area of fabulous wealth. The survey carried out by the federal government so long ago is now greatly out of date and could be added to immensely by a survey conducted by the government at this time.

We are on the edge of the pre-Cambrian shield, an area of proven mineral wealth, and it seems to me that until the day governments —and this day does not seem to be getting any closer—are able to meet the problems mentioned by the hon. member in regard to Bell island, by the hon. member from Cape Breton island, by the hon. member from Timmins, and the hon. member from Alberta in regard to strip coal, we are not going to solve the problems that must be solved in these areas. Each of these areas was built around a primary producer and many of these problems have arisen because the areas have been unable to make the transition to industry. We have this department and its facilities, and I ask the minister to give consideration to carrying out a geological survey in depth, as the thinkers of the nation now say. We do not mind how they do it, whether by diamond drilling or otherwise, but the survey should be of a type similar to that carried out in United States. In that country anyone can go into the library and find out the potential of a particular area. They can ascertain whether there is a potential in an area by research at the library. It would seem to me that many of the prospectors who are now covering areas that have been well covered

so many times before would find it advantageous to know what possibilities may exist in areas that they have not considered to be lucrative in days gone by.

I know the department has expanded. I was going to refer to the committee report of a few years ago, which said—and I thought they were being very foolish—that the Department of Mines and Technical Surveys should go out and buy new buildings, hire more people, and so on; in other words, they should expand. I always think it is foolish to tell senior civil servants to do this, because they seem to do it by themselves. However, I know this department has expanded. We were told this evening by the former minister of northern affairs and national resources that people have been added to the department, and I am quite sure this is so. The department has been highly complimented by many of the mining companies in my area on the work they have done in the fields of dressing, preparation and new methods of handling ores. The most recent of these accolades came from the Jones & Loghern Company in the United States which is developing the Adams iron mine at Dane. This company is well equipped to handle a great deal of their own development and refining processes, and yet they have nothing but praise for the officials in Ottawa who have helped them, when requested, in the dressing field.

I would also like to urge the minister to give consideration to the many new techniques being used in mining, and the difficulty of obtaining designations that would indicate the change in the type of mining. I am referring in part to the developments that have taken place in this field, where instead of drilling a shaft and doing the mining in this way, they are now drilling holes and using hydraulic processes to extract minerals. I think this is an ideal method of mining. I hope to see the day in Canada when many of the coal fields that we have will be operated by drilling, burning and distilling, thus obtaining the benefits of the mining resource in this manner.

I think it is unfortunate that the act is so difficult, or appears to be so difficult, to change in order to bring up to date the wording to allow for changes in the new types of mining which develop at any time. I hope that during the forthcoming year the minister will give consideration to this major problem that we have in monetary metals, the gold and silver ores, to see whether we can devise some system that will allow the mining industry certain—you might call it free enterprise—opportunities, so that if gold will sell at a price that is profitable to the mining communities, and the mining companies quite often think this is possible, they will have this opportunity. I do not think it means throwing them out on the free market, but we could help to develop in the international monetary field the role that Canada must play as an exporter of silver and gold metals.

**Mr. Greene:** Mr. Chairman, I rise to join the other speakers in congratulating the minister upon his appointment. I know that experience, ability and affability are enjoined in him in such happy proportions that it portends well for the future of his department.

I rise to tell hon. members of the committee a brief story which, while local in origin, coming from the riding of south Renfrew, I think has a moral which may be of interest to all hon. gentlemen in general and to the minister in particular. I rise to tell the story of Calabogie. Calabogie is in the township of Bagot and Blythfield in my riding and is situated on the banks of the roaring and majestic Madawaska river. The Calabogie area was developed when Bytown, which is now the great capital of Canada, was but a village. As history and time went on Calabogie was left behind, because when the timber resources were depleted there was nothing else there. For many years the people of Calabogie, which is fondly known as Calabogie with the blue skies above, where I come from—

**An hon. Member:** And nothing below.

**Mr. Greene:** That is quite right; for many years there was nothing below. Then about ten or 12 years ago new hope came to that area—new hope of employment and new hope for a better today and an even brighter tomorrow. Iron was discovered in the area, and it was discovered to a very large extent through the study of surveys, geological and otherwise, which had been made by the Department of Mines and Technical Surveys from the beginning of the century. Iron in great quantities was discovered and it appeared as though new industry and employment would come to these people.

As soon as the development of this iron reached the proportion that it was clearly commercial and profitable, in came the commercial giants, and it was not too long before the great Algoma company, under its subsidiary Algoma Ore Properties which does the developing for that corporate mining giant, had tied up all these properties which, taken together, could make a thriving commercial enterprise and give employment to the people. This was some ten or 12 years ago.

You may say, Mr. Chairman, that this is a private matter and that neither the minister nor this committee can do anything about it even after ten or 12 years. But

I say that is not so. This corporate giant has other iron resources elsewhere which it can mine more cheaply and thus more profitably, so if anyone else wishes to develop the iron resources to give employment to the area they should be given the opportunity to do so.

Surely it should not be within the power of any corporation to control natural resources, which are the heritage of the people of the country, and not of any one company. They should not be allowed to remain in control for 50 or 100 years paying nothing but a menial tax annually in order to hold these resources instead of developing them in the interests of the people.

I suggest there is a precedent for this type of conduct which encourages corporations to develop their resources at a faster pace than at present. It was not too long ago that, as I understand, the petroleum controllers of the country were successfully urged to increase production at a faster pace than before. I am not quite certain how this was done, but I think it was Teddy Roosevelt who used to say, "Tread lightly but carry a big stick". Perhaps the minister with his affability and geniality can use the art of gentle persuasion. The big stick is legislation. However, I suggest it is in the best traditions of the party to which I have the honour to belong that over the years it has encouraged free enterprise or private enterprise, whichever you wish to call it. It has maintained the incentives and the virility of private enterprise while at the same time seeing to it that the fruits of production and the resources developed by private enterprise were used in large measure for the welfare of the people of Canada.

**Mr. Woolliams:** Would the hon. member answer a question. Under the former Liberal administration Frank McMahon of Calgary made $5 million out of the trans-Canada pipe line. I was wondering whether those fruits were shared by the people of Alberta.

**Mr. Greene:** I think that question can be answered very simply Any debt owing to this country and to the government has been fully repaid by that company with interest. I very much doubt whether the hon. member for Bow River would want that pipe line removed from western Canada. I think it has served a good purpose and created a lot of employment. I suggest that a company such as Algoma, which has spent very little money because the iron was already in the ground and did not cost much to develop, should be given some protection. They should be given a reasonable amount of time to develop it themselves. But if they will not do so, surely they should not be permitted to hold these resources in perpetuity for private profit at the expense of the people of Canada, who would benefit generally from the development of the resources, as well as at the expense of people living locally, who would gain employment and a better future were these resources developed.

Again, Mr. Chairman, I think it is in the best traditions of this party that resources such as this be developed within a reasonable time by private corporations; or alternatively, they should be compelled to sell to corporations who would develop such resources within a reasonable length of time.

**Mr. Clancy:** May I ask a question.

**Mr. Greene:** If you will let me finish I will answer any questions from now until 10.30.

**Mr. Clancy:** I want to know—

**The Chairman:** The hon. member is not prepared to yield the floor so he should be allowed to complete his remarks.

**Mr. Greene:** I urge that the minister take some action toward the development of this particular property in the interests of the people I represent, and formulate some policy whereby such resources cannot be tied up in perpetuity for profit at the expense of people. I think this party has always had the interests of the people ahead of the interests of profit, and I think it should continue to do so, at the same time giving a fair and equitable measure of protection to private interests who have developed these resources. I suggest, if the minister does these things, that when that mine at Calabogie is flourishing and working there, with high employment and the blue skies shining above, he will indeed have a memorial to his administration of the department of mines. In so doing I also suggest that in formulating a national policy with regard to our mineral resources which will to a reasonable degree protect the private developer while at the same time assuring that those resources will be used in the immediate future for the benefit of the people as a whole, if he can formulate that type of policy, there will be a memorial to him not only at Calabogie but in the history of this great country.

**Mr. Macquarrie:** I have always said in this house and elsewhere that I am a man of brevity. Tonight I will show my laconic brevity. I will only say how happy I am to have this opportunity to congratulate the minister. He is a man I have known for many years. As the hon. member who has just spoken has said, he is a man of affability, a man whose attitude in this house has always won for him a high regard and warm affection. I wish him well in his portfolio. I will not say how long I hope he will be

there flourishing, but I do wish him well. He has always been a friend of mine and a sincere parliamentarian.

I am not an expert on mines. I am looking forward to hearing on this subject from my hon. friend from Bow River who knows the mining field as well as he knows the legal field. I want to commend one thing to the minister. In the province of Prince Edward Island where we derive our riches and greatness from our sterling people and wonderful soil, and where we have very little by way of minerals—we do not have many oil wells, or Kitimats, or Ungavas—we have developed a young industry to which I should like the minister to give his special attention and that is the peat moss industry in the constituency of the Solicitor General. I have recently become impressed by the potential of this new industry. I thought, at one time, it would come within the responsibility of the Department of Agriculture. At another time I thought it would come under the department of northern affairs. But I have now been truly informed that it is a responsibility of the Minister of Mines and Technical Surveys. I ask him to lend the good offices of his department to this industry, which could mean so much for my province where we have very little at our disposal with respect to more mundane mineral wealth. I look forward to the co-operation of the department, by way of research assistance and more tangible assistance, in developments which will mean much in the economic life of Prince Edward Island.

That is all I have to say, except that I am happy to raise such an important subject in such a hopeful and optimistic field of endeavour with a minister of whom I am more hopeful and optimistic than of some of his colleagues.

**Mr. Leboe:** I hope I shall be even more brief than the speaker who preceded me, if only to show him there are people who can be more brief than he. Besides, there is not too much to be said in connection with this particular department.

However, I should like to answer some remarks made by the hon. member for Renfrew South in connection with the attitude—he was almost ready to term it a dog-in-the-manger attitude—taken by people who were holding resources and not using them. There are two things he should know. In British Columbia they have legislation in operation which prevents this sort of thing happening. The other thing we should bear in mind in considering this question is the possibility of markets. There must be markets for any commodities we intend to produce; otherwise, what is the point of producing them?

There are great volumes of minerals present in the province of British Columbia. There certainly is no market at this time for the great volume which could be produced in that province. We have a tremendous potential. British Columbia is the province of the future in this respect, although there are many good mines in production at the present time. We have scarcely scratched the surface in British Columbia as yet.

I should like to ask the minister if he could dig up some figures. First, I should like to congratulate him on his appointment to office. I have known the hon. gentleman for a good many years now. I felt that when he was the financial critic he used to dig in pretty deep and, as a miner, possibly he will get in even deeper. I should like to ask him if he can dig up some figures on power production from coal in Wabamun, Alberta. Before this plant was built there was discussion in the house as to whether it would be cheaper to run it on coal or natural gas. I understand that the plant has converted to coal, and I would be interested in any figures the minister may have in this connection.

I would also be interested if he could tell us anything about the progress of the development of equipment designed to make economic use of coal for firing locomotives, particularly on railways. I believe this was a motor of the turbine type to be used for developing power from coal burned almost as a gas. There is another question I have in mind. I hear many complaints as I travel among the farmers of western Canada, more particularly in my own area, in connection with fertilizer. Fertilizer is a by-product of the mines in many cases and I am wondering whether or not the minister can tell us if there is a monopoly in the fertilizer industry and, if so, whether anything can be done to change that position. There seems to be a general feeling among the farmers that there is a monopoly in this industry. It has been said that though at one time fertilizer was a by-product which was thrown away it has become one of the most valuable products of the mining industry.

I have nothing more to say, though I may have some questions to ask on the estimates when they come before us in detail, should I happen to be here when they are before the committee. This is not always possible.

**Mr. Dinsdale:** I want first of all to join with my colleague, the hon. member for Qu'Appelle, in wishing the new minister well as he takes over the responsibilities of this department and particularly as he presents these estimates to the committee for the first time.

I was pleased to hear the minister acknowledge that the estimates we are now discussing are those prepared by the former administration. I think this has made it possible to shorten the discussion considerably tonight. I am also pleased to hear him say that they are being presented without any major changes. This, it seems to me, is typical of a minister with whom I have had friendly relations over the past number of years. I think it is encouraging to those who are interested in the activities of the department to know that the work so well begun is going forward under his direction. I should also like to say that I think the minister is wise in taking this stand. There are other departments of government which have endeavoured to blaze new trails since the change of administration last April, with the result that in many instances there has had to be some retracing of steps. The policies and programs that were vigorously promoted by the government of the present Leader of the Opposition have turned out, upon closer analysis and study, to have been in the best interests of the Canadian economy.

As the hon. member for Qu'Appelle has indicated, the Department of Mines and Technical Surveys plays a very important part in the over-all programs of development and research in this country. Indeed, there can be no satisfactory development unless there is adequate research. Reference has already been made to the quality of the officials who serve in this important department. This is the first opportunity we have had to discuss the estimates of the Department of Mines and Technical Surveys since the highly respected former deputy minister, Dr. Marc Boyer, passed away, and I should like to pay my tribute to the leadership he gave the department over a number of years. My direct association with Dr. Boyer was of rather short duration because back in 1960 I had the responsibility for this department for a short period of only two months.

**Mr. Benidickson:** As acting minister.

**Mr. Dinsdale:** Yes. I was not only impressed by the quality of Dr. Boyer but of all those who were associated with him. This is to be expected, I suppose, from a department whose personnel are made up largely of scientists. This is one of the unique government departments in this respect where the officials are pure scientists, not political scientists, not political artists but pure scientists who are dedicated to the pursuit of fundamental and basic research. I shall always remember carrying the responsibility for presenting the estimates of the department during that period and depending almost entirely upon those dedicated and well qualified men.



There is only one point I wish to make as I take part in this brief discussion. I wish to emphasize the importance of co-ordination and co-operation in connection with the activities of the Department of Mines and Technical Surveys. In his speech a few moments ago the hon. member for Renfrew South skirted around this point when he was making an appeal for some activity with regard to Calabogie. The only way that the federal Department of Mines and Technical Surveys can have any influence in regard to a problem of that kind is by ensuring that there is the closest possible co-operation with the provincial government. As we know, resources, except in the area north of 60, are the responsibility of the provincial governments. If we are going to ensure a rationalized program of national development in the resource area, it can only be achieved as the federal government and the provincial governments are willing to work together.

This afternoon I listened to a statement of the hon. member for Renfrew South with respect to another matter, and at that time he rather downgraded the importance of the new concept of co-operative federalism that was promoted with enthusiasm by the former administration. I should like to point out to the hon. member that if he wishes to have an intelligent and comprehensive resource program it can only be achieved to the extent that Ottawa is willing to work with the provinces. The machinery has already been established through the resource ministers council, and I would imagine that this new agency, which is carrying forward with such enthusiasm the new concept of co-operative federalism, would be glad to take under consideration the particular problem outlined by the hon. member for Renfrew South.

As the former minister of northern affairs and national resources I should also like to express appreciation for the close co-operation that department has enjoyed with the Department of Mines and Technical Surveys. Indeed, the program of northern development could not go forward otherwise. It could not have made the tremendous and impresive advances that have been made in recent years were it not for the increased tempo of geophysical, geographical, geological and oceanographic research that has been undertaken by this important department.

The thought has been expressed from time to time that Canadians today have less pioneering spirit and are not willing to undergo the hardships involved in mastering the great land mass that we have inherited. This certainly does not apply to the officials of the Department of Mines and Technical Surveys who have gone into the north, the high Arctic and the archipelago. They have

been carrying out research there under difficult and in some instances adverse weather conditions. I think the progress that has been made in the obtaining of information through research has been worthy of the pioneering that was done by such intrepid early northern explorers as the well known Stefansson, for example. In many instances these men have been young men.

The Department of Northern Affairs and National Resources has been working together with the Department of Mines and Technical Surveys in other respects as well. The department of northern affairs realizing that the economy of the north depends upon the discovery, exploitation and development of mineral resources, is establishing at the present time a research co-ordination centre at Inuvik on the Arctic shore, and I am sure this will provide excellent facilities for the research programs now being carried on by the department under discussion at the present time. The department of northern affairs also encourages prospecting for minerals by prospectors' assistance programs as well as by improving the regulations.

But the one important point I should like to make is to encourage the minister. He indicated in his opening remarks that he intends to carry on in all respects the important research projects that are already under way. If I may, I should like to point to one of these as perhaps being most significant. I would draw his attention to the aerial magnetometer survey that is under way now in the northern part of the province as well as in the Northwest Territories and the Yukon Territory. It is a ten-year program which will cost something like $18 million. I spoke in these terms last week when we had the estimates of the department of northern affairs before us. From time to time, we have heard rumblings from the government benches that there is a desire to withdraw from these joint programs. This viewpoint has been expressed in particular by the President of the Privy Council.

I would certainly hope, Mr. Chairman, that this joint program of magnetometer research that is being carried on in all of the provinces having northern regions is not one of those programs from which it is intended to withdraw. As I have pointed out, we can only proceed to develop and expand our geography as we are willing to work in the closest possible co-operation with the provinces. I hope the machinery that is already set up under the program of co-operative federalism will continue in this, as well as other areas, and that the government, having the responsibility for administration, is willing to continue the program that has been so well begun.

These are the few remarks I should like to make at this time, Mr. Chairman. I close by once again expressing appreciation for the conciliatory and co-operative note that has been established in the discussions by the new minister. I am sure that if he will adopt that same attitude within the privy council we need have no uncertainty concerning the continuing progress of the work of the Department of Mines and Technical Surveys.

**Mr. Herridge:** Mr. Chairman, I am happy in rising to speak this evening to see that there are six members of the press in the press gallery. I am interested, too, in noting that there is a new commentator in the press gallery.

**Mr. Woolliams:** I rise on a point of privilege, Mr. Chairman. I see the hon. member for Winnipeg North Centre in the press gallery.

**The Deputy Chairman:** Order.

**Mr. Herridge:** Now, I should like to continue in a serious vein. I am rising to speak briefly and when I say briefly I mean briefly. I have listened with interest to a number of speeches that have been made this evening. The minister, after very excellent service to the country in time of war, arrived in this house in 1945. I think we arrived here as a result of the same election. I have known him ever since he has become a member of the parliament of Canada, and to become a member of the cabinet is no mean honour. I wish him every success in all that he undertakes in fulfilling his duties as minister in charge of this department.

Now, Mr. Chairman, these estimates are not as glamorous as some with which we deal because this department is largely concerned with scientific and technical affairs. This does not mean it is not a very important department. I would be inclined to say that of all the departments this is the silent service. It renders a great service to this country, and we hear very little about it. I would criticize them to some extent in this respect because they are not as keen on using the press to advertise their own wares as some other departments are.

I rise to ask the minister a question or two and deal with a matter I have mentioned on a number of occasions through the years on these estimates. First, when the minister replies to the remarks which are made on this item, I should like him to inform the house how the programs that are undertaken by the various branches of this department are decided upon. This has always interested

me and I have been asked to make this inquiry as the result of interest on the part of others. Second, I wish him to inform the house of the developments in connection with the studies in the Arctic. Some years ago there was a proposal made in a conference in Montreal, in 1961 I think, that there might be mutual studies made in the Arctic with scientists from the U.S.S.R. I wonder if there has been any development in that respect.

I should like now to raise the question that I particularly wanted to mention, that is the provision for the Canadian people of national daylight saving time as the result of federal-provincial co-operative agreement. In wartime, of course, the federal government had complete jurisdiction in this respect as a result of emergency circumstances. However, it seems a completely foolish thing, in my opinion and in the opinion of a good number of persons with whom I have discussed this matter, for us to have daylight saving at various times in various provinces throughout Canada. I think it would be to the great advantage of Canadians generally and to the travelling public if this matter could be brought up by the minister at a dominion-provincial conference. This matter is related to the dominion observatory item which comes under the jurisdiction of the minister. There could be an agreement between the federal government and the provinces so that we would have daylight saving established in Canada on the same day right throughout the country. I do suggest to the minister that serious consideration should be given to this technical matter. We have continued this policy of one province declaring daylight saving time on one date and another one on another date, to the inconvenience of the travelling public. I suggest that this is something upon which agreement should be easily reached.

The other matter I wanted to mention was that this department's public relations are not as good as they should be. I am not blaming the officials in the department, or the minister. A large number of Canadians are not aware of the work that is being done by this department, to which reference was made by the hon. member for Qu'Appelle. I endorse what he said about the work of this department. It is surprising how few people outside of those interested in mining and certain scientific studies, know about the work of this department. I suggest there could be some consideration given to informing the Canadian people generally about the work done by this department. There are a lot of people who do not realize the services that can be provided by this department, and I am thinking particularly with regard to the purchase of maps and reports on particular subjects.

I think some consideration should be given either to the use of press releases or the use of officials addressing local organizations, particularly those officials concerned with surveys in certain areas. This would be an excellent recess hobby for the parliamentary assistant. He could go around to the various organizations and speak about the work of this department. I think more should be done in that respect because we really could not carry on our plans for the future development of this country, for its settlement and things of that sort, without the basic studies made by various branches of this department. I just make those two or three suggestions and urge the minister to give them some consideration.

**Mr. Woolliams:** Mr. Chairman, I am happy to say a few words in reference to the estimates before the committee, particularly in view of the fact that we in Alberta feel we have about one eighth of the coal supply of the whole world, and have other resources that could be mined.

Like other speakers I would like to say something in reference to the minister himself. Some of my friends urge me to be brief, and I will be brief. In fact I think I should be brief, because when I look around this chamber, particularly on the opposite side and also over on this side, it seems to me this is the way to get estimates through, in view of the number of empty seats. They speak for themselves.

The minister was one of the first members of parliament I met when I was first elected. In a kindly manner he showed me how to get to my office, what to do, and a few other things. It is that little touch of humanity that endears him not only to his own party but to the whole house. I have always been most happy that I have not been a Conservative, or a member of any other party, running in his constituency against him, because I know how difficult it must be to get elected in a contest with a man so kindly as he.

Now, I shall deal with the estimates and I have some recommendations to make. I have spoken about the coal mining industry on several occasions. There are three particular types of coal, three particular coal mining areas in the Bow River constituency. In the mountains there is found the anthracite coal which is marketed, shipped and exported to Japan. We have the bituminous coal in the foothills and the subbituminous, or soft domestic coal at Drumheller.

One of the things that has helped the coal industry was the setting up in years gone by

of the coal board. The industry works in conjunction with that board and I have one recommendation to make in connection with it. It has been made to other ministers, and even to our minister at the time when this party formed the government, and it is that one of the members of the united mine workers of America from western Canada should be appointed to sit on the coal board with its present members.

I believe at one time there were negotiations in the department in this regard. After all, in a day when we have such relations between management and labour, when they must work harmoniously together to be successful, this would be one way to make this industry a success, and I strongly recommend the appointment of one member from the united mine workers of America from western Canada to the coal board.

I would like to mention some of the difficulties affecting the coal industry of western Canada, and in particular the industry in Bow River. As the minister is well aware, and he has been in this house longer than I, the coal industry has run into serious competition with the petroleum industry in Alberta, Saskatchewan and Manitoba. At one time large quantities of coal were used by the railroads, and as domestic fuel on the farms and in the urban centres. Today it has been supplanted by natural gas, petroleum or other by-products and as a result the industry has been, to put it midly, dislocated and disturbed.

Alberta boasts of being one of the richest provinces in Canada, but there are areas in that province in which the most dire poverty exists. I have said this before and I want to emphasize it again. These miners were just as great pioneers as the farmers and other people who came to western Canada. They went great distances underground, at the risk of their lives, to mine coal so that the other pioneers as they developed western Canada had the use of that resource, particularly during the long winters, in their development work.

I have said to the Minister of Justice, to the minister of northern affairs and to other ministers, that in this welfare state, about which sometimes I have a lot to say, many basic welfare programs do not apply to the miner who has been unemployed for a long time. He is usually a man aged about 45, 50 or 55 years and he becomes unemployed long before he qualifies for old age security. He has no chance to get other kinds of employment. As a result of his long employment he cannot get unemployment insurance, and social welfare is not sufficient to maintain his family in dignity.



With a great sense of hospitality I invite the minister—and I trust it will be soon—to visit that area of the Drumheller valley which is rich in farmland, but very poor so far as mining is concerned. I invite him to visit such towns as Wayne, Rosedale, Macmine and Newcastle, which I might describe as lit up cemeteries. There are people living there in what might be called hovels, with no basis of income whatsoever because, as I have said and I am going to repeat, they have no unemployment insurance and have very little social welfare.

One might ask, why do they not leave these areas? Well, if they leave, they leave what little capital they have created, their homes and other buildings, and they are only fitted and trained for one particular vocation, and that is mining.

I have not the figures before me, but I have quoted them often enough and I am sure I will give them correctly. Some time just after the last war there were 26 mines open in that area, employing more than 2,000 men. Today I believe there are three mines left in that area and I am given to understand—and this is no criticism of the Liberal government because I am certain it would have happened even if the Conservatives had been in power—another mine is about to close. This is part of the evolution and development of other energy sources, but as a result the mines now employ only about 180 men, and when this mine closes there will be only 100 employed.

I do not know how many of the 2,000 original miners are still in that area, but as I say, as one drives through these places they are like lit up cemeteries. After leaving that mining area one can then drive into the farm region of Bow River and Acadia, which is represented by my hon. friend behind me, and these have some of the richest agricultural land anywhere in western Canada.

Yet there is this small area crowded with people living in poverty. One can look at all that is being done for the agricultural industry. Every one of us has supported the steps taken to help it, but now the time has come to do something to help these people. Nothing has been done for them provincially. I am not criticizing the provincial government in that regard, and decidedly nothing definite has been done federally to assist them.

A lot of these people came to that area during the last world war. There was a demand for the type of fuel produced in it, and it was needed for the war effort. Men were brought from Nova Scotia and other coal mining areas to Drumheller and dumped there, but when the mines folded the men

were left unemployed. They need some definite plan of assistance to help them in reference to the plight in which they now find themselves.

Of course during the last few years we have found a new market for anthracite coal. The subvention on anthracite was increased to $4.50 a ton, and as a result in one year we were able to export 700,000 tons to Japan. I believe that figure was duplicated in another year, and the export of it is still continuing. There is no doubt that many of those miners, situated in what we call the Drumheller area, moved to Canmore, Alberta, but as I pointed out there is a saturation point, and there are only so many of those people who can be moved and can be employed by coal operators in the Canmore area. We have a new minister of this department and I ask him as earnestly as I can to find some plan to help these people. I have said once before in this house that if I never did anything as a member of parliament, if I never made any contribution at all to my country, and I could make one contribution in being partly responsible for these people receiving help from any Canadian government, I would feel I had made a real contribution as a member of this house.

While I am dealing with the competition that exists in petroleum and natural gas, I would point out that there is this type of thing to consider. At one time many of the natural gas wells—and I see the hon. member for Coast-Capilano on the other side of the chamber, who is well aware of this subject and appreciates what I am saying—were found when they were drilling for oil, and the wells were capped. We had the Borden report. We found that in the province of Alberta alone we had proven reserves of 23.7 trillion cubic feet of natural gas. This was not estimated; it was proven. We needed for Canada's needs in the foreseeable future, not only for domestic needs, projecting it over 30 years, an average of 12 billion cubic feet per year. After the report and after the energy board was set up, for the first time in Canada we started to export natural gas.

Practically every urban centre in Alberta, and even many farms in that province, is today heated by natural gas. These farms used to use domestic coal. Those that are not near a gas pipe line are today using other by-products of the petroleum industry. Therefore the market for soft fuels throughout western Canada has gone. They are in competition with natural gas and petroleum. That competition is so great that it has put operators out of business; and when business goes, there are no jobs. I have spoken to these people many times. They belong to a union, and they sometimes had very radical ideas. I have pointed out to them—and I am sure hon. members of all parties will agree with me on this—that unless the operators themselves are able to show a profit, there cannot be jobs for them. They now appreciate the fact that as the operation disappears, so employment disappears. I do not want to emphasize this, but once again I would ask the minister to do something to help these people. I saw him making a note in his usual kindly manner and know he will give consideration to my request. I sincerely hope that a member of the united mine workers of America from western Canada will, for the first time in Canada, be appointed to the coal board so these people can express their ideas about the industry and their ideas as far as their relationships with management are concerned.



Mr. Chairman, I wish to turn to one other aspect of this question for a few moments. I have only two points to discuss tonight. I shall now deal with the question of the north. I say this again in a kindly way: There are some people in the house who used to scoff at the previous government when we talked about the vision of the north. I am not one of those who believe that the first government to ever get people to go to the north or industry to become interested in the north was a Conservative government, but I think even the present Liberals will accept—they may accept it because it would have happened anyway—that there has certainly been great development in the north. Whatever way you look at it, that is the fact.

I have here a map of Canada, and particularly a map of our northern area. I want to ask one serious question. I think the minister or the Minister of Northern Affairs and National Resources should take a serious look at this question. I was a member of the mines committee in 1958-59 when that committee considered this very subject. I recall asking one question in that committee, "Where is the border of northern Canada?" I am sure that there is not an oceanographer or any other kind of scientist up there who can say we could draw a line tonight between what might belong to a foreign state and what might belong to Canada in that area. This is an important matter. When the oceanographers and hydrographers came before the committee and were asked certain questions in reference to their work, we found out—perhaps there has been an improvement in this situation—that at that time their salary was less than that of a topnotch stenographer in a good oil company in the city of Calgary. How can we expect to attract people to the civil service to undertake these important scientific jobs if we do not pay the salary they are worth? Some of them were

at university for as long as 10 or 12 years and then had practical experience of three or four years. At that time I think we had two oceanographers working in the department. Consider this in relation to the size of northern Canada. I think we had two other scientists working in reference to the boundaries. The committee will appreciate how inadequate this is compared to the size of northern Canada.

My second suggestion is this. If we have not the financial resources to complete the vision that we have, whoever created it, for the development of the north—and I think we made a great contribution in that regard: perhaps I am prejudiced, but I think we did —we should make some kind of deal with our friends outside the iron curtain, to make certain that we develop the north to such an extent that we push back those boundaries in order that we on this side of the iron curtain control the majority of the northern hemisphere.

**Some hon. Members:** Hear, hear.

**Mr. Woolliams:** We have done quite well, when you think of it. When you look at the map, you find we have now started to drill wells as far north as Banks island and Bathurst island, and there is some development going on in Ellesmere island. We know there is some development going on by the Americans under that part which is called the ice shield; they are going under this area in submarines. But we should work in conjunction with these people, because this is really the northern boundary as far as Canada is concerned. The more we develop it, the further north we push industry, the further our borders will extend to the north.

Most of us believe that we own all the north, but those foreign countries which have started development on the islands in this northern area will not be pushed out in the near future because we get into the niceties of an argument or set up an international commission that says, "This is Canada's land; you should not have drilled these wells". I believe—and I have the figures here—that the total potential world development at the present time, of known crude petroleum, is 273 billion barrels. Of these 273 billion barrels of known crude petroleum, we in Alberta have projected reserves of 5 billion barrels. It is believed that there are probably 100 billion barrels of crude petroleum which could be developed in the far north. I say that, now we have started this development in the north, let us not allow it to lag. I recall that the hon. member for Qu'Appelle and the hon. member for Brandon-Souris, the former minister of northern affairs and national resources, endeavoured to sell their cabinet on the development of the north and did a good job in the vision of developing that part of our country. Let us keep that development going, because this does not only mean development in the northern part of Canada; it means a great deal to the whole of Canada. When these industries are developed it will mean what eastern industrial centres mean to western Canada in relation to their industrial products; because they are the manufacturers, they are the ones who sell the commodities being developed from these resources. I say, Mr. Chairman, that this vision should be carried on, that this development should be carried on and encouraged.

I was rather amused to hear my hon. friend talk about their sharing the riches. In that connection I just wish to point this out. Many of us have always accepted the idea, except a few who seem to be diminishing in number day by day—the intellectual type of socialism does not seem to be around anymore, or the ones who seem to think they are real socialists do not seem to be around anymore—that things can be done better under free enterprise. However, you have only to look at what the Borden report says—although I will not name the trans-Canada pipe line—about sharing the riches. I think free enterprise is everyone having the same opportunity to compete. I recall particularly in one place the Borden report stated that one man made a capital gain out of receiving shares—he was an executive of a crown company at that time—worth $1,400,000, and still got 10,000 shares in another company at $8, which at the time he took the certificates were worth about $34.50. If that is the kind of free enterprise we are talking about, I am sure it is not the kind the hon. member for Renfrew South was talking about. Free enterprise means that all people have the opportunity to go in and develop.

I raised this question on the budget debate when special tax rights were given to certain pipe line companies. I said that if special privileges and taxes were given to pipe line companies to drill a hole for petroleum in Alberta, Saskatchewan and Manitoba or in the north, why could they not be given to any company or any syndicate that wished to pour money into it and explore for petroleum in the north or on the prairies? I was told that this would be soliciting business for people who wanted to get rich and live in suburban areas. Surely, if it is fair for the pipe line companies to have that kind of tax exemption, it would be fair for members sitting across from me now, who are smiling, to form a syndicate and put our money in. And if it was a dry hole, why should we not get exemption on our tax forms, the same as a pipe line company? It is that kind of thing that will develop the country. But every time

we give out special privileges we are putting hobbles on those people who would develop the country.

**An hon. Member:** What about M.P.'s selling oil stocks?

**Mr. Woolliams:** I hear someone talking about M.P.'s selling oil stocks. The most refreshing thing I heard this evening was the hon. gentleman talking about free enterprise in such glowing terms that I knew we had won him over after all. He used to speak only in socialistic terms when I first came here. He was one of the intellectual, honest socialists. Either his philosophy has faded or he finds it more popular to follow along with free enterprise. I think that is the best answer I can give to that interruption.

The best comparison is this, that you only have to compare the economy of the province of Alberta with that of Saskatchewan to have the answer. There is one thing which I will say about this government. They say more oil; but I was glad to have the question put to me. What happened to the oil rigs in 1944 when the socialists took over? They left Saskatchewan and went to an economic climate where they could do business. When they found oil they at least knew they could share it and the royalties with the government. Saskatchewan had a good plan, one of the finest in the world. They were told to risk their capital and to do the research with their seismographs, and all the rest of it. They were told: "You build a well and we'll own the oil". But that was not too appealing to the average Canadian and the average American, so they left for Alberta. Now my good friends, with that kind of program, say to me: "Why have you so much petroleum in the province of Alberta?" I pay that government the greatest compliment I can pay them. During the years they were in office they created the proper economic climate for the development of the province, which I think accounts for the reason they are rich today, whereas in mines and resources Saskatchewan is still struggling.

I recall reading in *Maclean's* magazine some years ago about the "hottest square mile in the world". I did not know what they were talking about, but they were talking about uranium. That uranium was mined by a crown corporation. The hottest square mile in the world in 1947 was the square mile that brought in Leduc No. 1 which developed the petroleum which made the province of Alberta rich. The proper economic climate was there. Some people tell me that the backbenchers of the Liberal party today are all left-wingers. Then someone else whispers that they are all right-wingers. But whichever it is, I hope they influence their government to stay on the trail of free enterprise, because without it another group of people will take over control. What happened in Saskatchewan could happen throughout Canada, and I hope that will not be the plaque left with the Liberals of today. I trust that there are enough free enterprisers left over on that side to make certain that their left-wingers do not get control.

**Mr. Kindt:** I should like to add a few words to the discussion, but I shall be very brief. First of all I want to add a word to those of others concerning the new Minister of Mines and Technical Surveys. I have known him ever since I became a member of the house and I have the greatest personal admiration for him. I wish him every success as minister during the length of time he holds that office. I also wish to pay another compliment to him. It was my good fortune to recommend to the former government that we start subventions on coal shipments to Japan. That program has worked out very successfully, and over the past five years of operation has gradually grown. The operators have been feeling their way. Tests have been made as to the value of coal for metallurgical purposes, and apparently it is excellent when mixed with Japanese coal. Therefore Japanese processors have come back year after year with new contracts for our coal.

In order that our mine operators could operate efficiently it became evident that we should give them a longer period in which to adjust their contracts and also solicit new business. We had meeting after meeting among the operators on that very point, as well as among the miners. I suggested that the subsidy on coal to Japan should be extended by at least five years so that these operators would be able to do an efficient job of planning. I am pleased to see that the present minister has extended that subvention for a five-year term. It is a very good move.

**Mr. Benidickson:** We intend to.

**Mr. Kindt:** I understood it had been.

**Mr. Benidickson:** No, it is promised. We need legislation to do it.

**Mr. Kindt:** I see. Your intention is to do so. Thank you. I hope it will be extended, because these people need that additional time in order to make their plans for the future. The Crowsnest pass area has recently been designated as a slow growth area. It is the only area in Alberta which has been so designated and any help which the minister can give to assist it by way of new industries or coal subventions or the development of projects which would utilize coal, natural gas, iron ore, or forest products

which are so abundant in this area would go a long way toward providing jobs for the people there. Such assistance is needed in the development of that district.

I should like to say to the minister in closing that we would like him to come out and visit us. I can say personally I would be glad to take him in my car down to the Crowsnest area and if it happens to be the shooting season, I can guarantee him some good shooting down on my place.

**Mr. Benidickson:** You would be a good companion.

**Mr. Knowles:** Who is going to shoot whom?

**Mr. Kindt:** I do appreciate the minister's efforts in extending this subvention on coal and I will certainly support the measure when he brings it to the floor of the house.

**Mr. Byrne:** I wonder if the committee would bear with me for a few moments. I am one of those members who have been associated with the present minister since 1949—that is, with some breaks, although I have kept in touch with him throughout all those years. I want to add my congratulations on his appointment. I am not going to suppose he will do a good job. I know he is doing a good job, judging by actions he has already taken.

I think, also, that in view of the fact that I am perhaps the only member registered as a miner in the Parliamentary Guide, it would be appropriate for me to say just a few words. The hon. member for Macleod mentioned the subsidy on coal shipments to Japan. I wish to say this has been a very successful operation. On June 26 the minister did announce that the coal subvention policy would be continued for five years. On that understanding the coal operators in the pass area have already signed a three-year agreement. Previously the agreement had been on a one-year basis. The operators have now signed a three year agreement for 600,000 tons, in this particular area alone. The contract provides, also, that they may increase this amount by 100,000 tons a year, which would make it 800,000 tons from the Crowsnest pass area. I would hope to have the support of members of this committee in urging upon the government the desirability of raising the ceiling upon which they are prepared to pay this subsidy. These shipments are having an admirable effect on the economy of British Columbia generally, because of the number of jobs they generate in addition to the employment in the mines themselves. So I hope a policy of increasing the ceiling on the amount of coal which may be shipped under the terms of the subvention will be adopted.

The hon. member for Macleod has said the Crowsnest pass area is the only area in Alberta which has been designated as a slow growth area. I want to remind the committee that it includes a portion of British Columbia which is being served by the Blairmore unemployment insurance office, so Fernie, Natal and Michel are towns which are receiving assistance because of this subvention.

That is all I want to say on that subject. As a miner, I am also connected with a company which produces fertilizer and I wish to assure the hon. member for Cariboo that the fertilizer industry is not a monopoly. It is one of the most highly competitive industries that exists today. There is some connection between the fertilizer industry and the mining industry, but not in every respect. A great deal of fertilizer is produced on the prairies through using natural gas. The industry is by far and away the least monopolistic in Canada today. I feel the department itself is doing an excellent job. There is one industry in my riding to which it has directed a great deal of attention. We have hundreds of millions of tons of iron which has already been mined, and which is now stockpiled in the form of concentrates ready to be made into steel. It was with the assistance of the department, after it had conducted a number of tests and experiments, that we finally developed a steel which could be produced from this ore. It is the beginning of a great steel industry in this area. It might well become the the Pittsburgh of Canada. I wish to thank the department for its assistance. I just thought that because I am a miner I should say a few words on these estimates.

**Mr. Bigg:** The great district of Athabasca is one of the neglected areas of Canada and it is hard for me to understand why. We are worried today about the balance of international payments. I sincerely believe that if one resource in the Athabasca district alone were to be developed, its crude oil, we could largely take care of that whole problem.

The question of pipe lines causes many eyebrows to be raised. I do not intend to add my voice by raising any recriminations about pipe lines which have been built. I will only say it is high time we built a pipe line from Alberta to Montreal to carry crude oil. If that were done, and if we had protection for the market in Montreal, we could go into full time production of crude oil from the Athabasca tar sands. I can say that the known reserves in the tar sands in that area alone amount to more than 300 billion barrels of oil. So far they are completely untapped. If they were tapped we could supply the whole of the heavy industrial fuel oil market of eastern Canada. In order for this to be done it would not be enough to build a pipe line.

We must protect the market. This would mean placing restrictions on the importation of Venezuela crude.

There are not too many people today who are brave enough to face the oil combines of the world. Perhaps we can; I do not know. I would like to try. I see no reason at all why we cannot protect our markets in Canada, as well as other countries can protect theirs. It has been the policy not only of Conservative but of Liberal governments in Canada as well to protect our own local markets, and here we have a market for industrial fuel oil alone which would bring in several hundred million dollars to the exchequer of Canada, and the payrolls of our people.

The time is long overdue for the building of a crude oil pipe line from Alberta. If it cannot be built with private funds then it should be built with government funds because in this way we would be developing our own country. There is a great deal of talk about Canadianism, biculturalism and a square deal all round. If we got down to brass tacks and developed our country in the way it should be developed we would not have to worry about a square deal all round. We would have to bring in workers from all over the world to take up the slack. There would be no unemployment if we would only get down to developing our own resources and looking after our own markets.

I should like to close with a compliment to the department for their wonderful work in technical surveys. There are new developments in air surveys and I think that in the near future we will have a much clearer picture of what our resources in the north are. I think that parliament should vote almost a blank cheque to technical surveys so that they may show us what we have in our own country. When we know what we have we can take the logical steps for development.

I also want to pay my personal respects to the new minister. Although he is a senior member of the house he has always looked upon backbenchers like myself almost in a fatherly way, and we appreciate this. It is an example of the kind of comradeship we need throughout the house if we are going to develop our country in an efficient manner.

**Mr. Fisher:** Mr. Chairman, there are quite a number of items in connection with this department about which I wish to speak and some questions I wish to put to the minister. In northwestern Ontario at the present time, where mining is part of the basic economic structure, there is a certain amount of optimism due to the fact that the minister of mines of Ontario represents Port Arthur and right next door we have the federal Minister of Mines and Technical Surveys representing Kenora-Rainy River. If that were not enough, next door in Fort William we have the parliamentary secretary to the Minister of Public Works. So there is considerable optimism that with all this power, we will have some attention paid to our interests, particularly in the mining field.

The reason for this hopefulness, of course, stems from the fact that most of the people in our region in looking forward to the future have to recognize that the opportunities of expanding at all in the direction of value of product or in range or variety of product in the forest industries are quite limited, whereas the prospects in the mineral industries are much more open, not only on the basis of future discovery but also on the basis of what has been blocked out already. It is for that reason I want to bring to the attention of the minister publicly, not in a niggling or needling sense and not really to tell him something he does not know, some of the matters that are of interest in our area.

The first one is somewhat esoteric, and I put it forward to begin with since it does not involve a great deal of detail and really is a matter of optimism, I suppose, or idealism in connection with the mining industry. I should like to make an appeal to the minister to do something substantial for the prospectors in this country. I make the point to the minister that this particular department has been expanding its facilities and the kind of contribution it makes to delineating our mineral resources and mapping and surveying. Traditionally in their printed form the department's publications and contributions have been most useful. I know I once looked after a library in Port Arthur that had a set of the geological surveys from 1842 up to 1930 and it always amazed me. You never knew what time of the day or evening you would get a telephone call from a prospector wanting to look at these reports. As a matter of fact, it was the use of one report in connection with Manitouwadge that led to the interest, follow-up and discovery of Geco and the very large property there.

I get complaints repeatedly, particularly from the prospectors association in Port Arthur and Fort William, about the fact that there is really no provision at all for support by the federal government in this field. Yet more and more the kinds of publication and surveys that the department is turning out are getting to be beyond usefulness so far as many of the prospectors are concerned who are not supported by the big syndicates. It is quite apparent that the whole trend in this field is toward scientific elaboration. You have these very large corporations which, partly because of the tax incentives involved, spend a great deal of money exploring and

following up all the leads that are opened up both by the federal mining service and the provincial mining service.

I am not quarrelling with this. Some of the results have been very good. But the opportunities for the ordinary person who is interested in mining, the kind of people who go to the provincial prospectors' schools, the kind of people who will go out after the big companies have been through an area with their magnetometer surveys and have made the other kinds of readings that are made from an aircraft, the kind of people who cover the area on the ground, are becoming more limited. In my view this is still a very important part of prospecting in this country. At the present time these people have no incentive at all. They have no subsidies of any kind. I believe the province of Saskatchewan has some kind of arrangement which I understand has been successful. I think there is some semi-arrangement in British Columbia and I believe there is one in prospect in Manitoba.

**Mr. Dinsdale:** Northern affairs too.

**Mr. Fisher:** Northern affairs, yes, but that is not in the provinces and it does not affect the part of the country in which I am interested. I think the most exciting thing the minister could do, and one which would make the memory of his period in this portfolio a happy one which would last for a long time, would be to introduce some kind of program—I am not talking about anything huge or extravagant—under which the federal government would contribute in association with the provincial government to the support of prospectors.

What is a prospector? It seems to me he is a man who will go out and search, search and search, always looking for the dream. I have a prospector friend who is 73. He lives alone. I would say that for nine months of the year, provided the weather permits, he is out prospecting. He is always looking for the mother lode, the big strike. A couple of times he thought he had it. A few years ago he thought he had something north of Armstrong that was going to be another Sudbury, but unfortunately it turned out to be just a single plug that came up.

But it is that kind of person we need. We have a great many prospectors in our part of the country who are in their 60's and 70's and who are beginning to fall away and we have not got young people in the 30's and 40's with the same incentive. I suggest there is a real field here for a certain kind of person that we produce in our bush country, people who do not have to have a great deal of technical education but who have the know-how, a sense of the bush and the lakes, a practical man's knowledge of rocks, and who can cover the countryside with an intensity that even the great big surveys cannot match. Before I call it 10.30 I should like to add that the minister could really make a contribution if he would get some kind of program under way in this field.

**Mr. McNaught:** Mr. Chairman, I wonder whether we could have unanimous consent of the committee to sit for another few minutes. We have had a very thorough and a very good discussion, I might say, on the first item. I understand the hon. member for Port Arthur is the last speaker, and if we could sit a few minutes probably we would get the first item through.

**Mr. Hamilton:** We have been here for three and a half hours, and we have had a good discussion, but we would be glad to sit for another 15 minutes or so if we could get the estimates through.

**Mr. Fisher:** I call it 10.30, Mr. Chairman.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Hamilton:** I wonder if we could have some indication from the acting house leader what the plans are for the early part of next week?

**Mr. McNaught:** On Monday we will consider the second reading stage of the act to amend the Technical and Vocational Training Act; then, we will consider the resolution preceding the amendments to the National Centennial Act. When that is disposed of, we will consider the resolution preceding the amendments to the Admiralty Act; then, the resolution preceding the Canadian National Railways Financing Act. If there is any time left, we will take the second reading stage of the act to amend the Bankruptcy Act and the second reading stage of the act to repeal the Newfoundland Savings Bank Act, 1939.

On Tuesday, we will consider the first three items I mentioned which have not been concluded and then, the three resolutions in the name of the Minister of Transport, namely item No. 16 on today's order paper, the railway grade crossing fund; item No. 17, the St. Lawrence Seaway Act and item No. 20, the Canadian Overseas Telecommunications Corporation Act. Then, if there is any time left, we will take the balance of the items not disposed of on Monday, but not necessarily in the order I gave them this evening.

It being twenty five minutes before eleven o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Monday, November 18, 1963**

The house met at 2.30 p.m.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VACANCIES AMONG DIRECTORS, EXHIBITION CORPORATION

*Question No. 1,338*—**Mr. Howard:**

1. Since July 3, 1963, have any vacancies occurred on the board of directors of the Canadian World Exhibition Corporation?
2. In filling such vacancies what consideration, if any, was given to the appointment of persons of native Indian ancestry?

**Mr. Badanai:** 1. Three, Messrs. Paul Bienvenu, C. F. Carsley, and Harry E. Price.

2. Messrs. Bienvenu, Carsley and Price were replaced respectively by His Excellency Mr. Pierre Dupuy, ambassador, Mr. Robert F. Shaw, professional engineer and business executive, and Hon. George Hees, former minister of trade and commerce. In filling these vacancies the government considered that the incumbents, on account of their past experience, were eminently suited to meet the requirements of their functions with the Canadian World Exhibition Corporation.

*WORLD FAIR SITE

*Question No. 1,349*—**Mr. Howard:**

1. What is to be the site of the Canadian world exhibition?
2. When was the decision made to select this particular site, what is the authority therefor, and who made the said decision?

**Mr. Badanai:** 1. The site of the Canadian universal and international exhibition to be held in Montreal in 1967 will be on the island of Montreal and on or in the vicinity of Ile Ste. Helene, Ile Ronde, Ile Verte and Ile Notre Dame.

2. On March 28, 1963, and confirmed on May 12, 1963; an act to establish the Canadian World Exhibition Corporation as passed by the House of Commons on December 20, 1962; the Minister of Public Works in agreement with the city of Montreal and the government of the province of Quebec, and with the approval of the governor in council.

INTERDICTIONS UNDER LIQUOR ORDINANCE, N.W.T.

*Question No. 1,371*—**Mr. Rheaume:**

1. For each of the calendar years 1961, and 1962, how many persons in the N.W.T. were interdicted under the provisions of the liquor ordinance of the N.W.T., or any other ordinance, act or regulation?
2. Of the above, how many were interdicted in each year at the request or on the recommendation of (a) the R.C.M.P. (b) other federal or territorial officers?

**Mr. Laing:** The commissioner of the Northwest Territories informs as follows:

1. 1961, 23; 1962, 8.

2. (a) The R.C.M.P. advise as follows: 1961, 3; 1962, 1. (b) Territorial records do not provide this information; court records in Yellowknife indicate that five interdictions were made by the court after hearing recommendations from welfare officers during the period 1961-62.

WORLD FAIR PUBLICITY

*Question No. 1,393*—**Mr. Latulippe:**

1. What agency will be responsible for publicity concerning the 1967 world fair at Montreal?
2. What funds will be provided for such publicity?
3. Does the government intend to ask advertising agencies to submit tenders for the account?
4. Have special funds been provided to the Canadian tourist bureau in this regard and, if so, what is the amount of such funds?
5. How much money from the publicity budget of the world fair will be spent in (a) the United States, (b) Europe, and (c) elsewhere?
6. Will the civil service commission hold competitions for information and publicity officers in connection with the world fair?
7. Will the information or publicity responsibility be that of the government or the world fair corporation?

[*Translation*]

**Mr. Badanai:** 1. The following agencies have been entrusted by the directors of the Canadian World Fair Corporation with the publicity for the fair in Canada: Cockfield Brown and Company Limited; Agence Canadienne de Publicité Limitée; Desroches, Inkel, Poirier et Associès Inc.; Public and Industrial Relations Inc.; Monty Perger and Co. Inc.; McKim Advertising Limited; McConnell, Eastman and Company Limited; James Lovick and Co. Ltd.; Publicité Huot Limitée.

2. Estimates are being prepared.

3. The Canadian World Fair Corporation is responsible for the selection of the advertising agencies.

4. That matter does not fall under the jurisdiction of the Canadian World Fair Corporation.

5. Funds for promotion and public relations will be allocated for use in (a) the United States, (b) Europe and (c) elsewhere following an investigation now under way to establish the possible number of visitors.

6. Being a crown corporation, the Canadian World Fair Corporation does not come under the jurisdiction of the civil service commission.

7. Information and publicity services will fall directly under the Canadian World Fair Corporation.

MÉRÉDÉ BOUCHARD—EMPLOYMENT BY PUBLIC WORKS DEPARTMENT

*Question No. 1,503*—**Mr. Belanger:**

[*Text*]

1. Is Mr. Mérédé Bouchard, travelling salesman from St. Gregoire, Montmorency county, employed by the Department of Public Works?

2. Has any money been spent by the department at the special request of this gentleman, and, if so, how much, and where, in the constituency of Charlevoix, was this money spent?

[*Translation*]

**Mr. Badanai:** 1. No.

2. No.

[*Text*]

DREDGING OPERATIONS, PICTOU ISLAND, N.S.

*Question No. 1,507*—**Mr. MacEwan:**

Is it the intention of the government to carry out dredging operations at Pictou island, Nova Scotia, and, if so, when will this work be carried out?

**Mr. Badanai:** Yes; the work will be carried out during the 1964-65 fiscal year subject to the approval of funds by parliament.

TENDERS FOR RAILWAY MAINTENANCE, CAMP BORDEN

*Question No. 1,526*—**Mr. Madill:**

1. Has the government called for tenders for the maintenance of the government owned railway track in Camp Borden and, if so (a) were the tenders publicly advertised or were they called by invitation (b) did the terms of the tender call provide for (i) maintenance of road crossings (ii) snow removal at road crossings (iii) maintenance of culverts and drains (iv) weed killing (v) brush cutting (vi) fence maintenance?

2. If the above items do not form part of the proposed contract, who will provide these services?

3. What is the estimated cost of these services and were these services taken into consideration in the reply to question No. 956 when it was estimated that there would be an over-all saving of $3,049.16 annually?

**Answer:** 1. Yes, through the Toronto office of the Department of Defence Production, (a) by invitation, (b), (i), (ii), (iii), (iv), (v), (vi), No.

2. As in the past, these services will be provided by 24 Wks Coy RCE.

3. It is estimated these services cost $1,000 annually. They were not taken into consideration when the over-all saving of $3,049.16 was estimated since under the tender call the track maintenance crew was not and will not be responsible for these services.

[Mr. Badanai.]

POST OFFICE CONSTRUCTION, CADILLAC, QUE.

*Question No. 1,578*—**Mr. Caouette:**

Was a contract awarded for the construction of a post office in Cadillac, constituency of Villeneuve, and, if so (a) who were the tenderers (b) what was the amount of each tender (c) to whom was the contract awarded?

[*Translation*]

**Mr. Badanai:** No.

(a), (b) and (c)—N/A.

[*Text*]

HOSTESSES EMPLOYED BY T.C.A.

*Question No. 1,579*—**Mr. Caouette:**

How many air hostesses were employed by Trans-Canada Air Lines since June, 1962, and of these, how many were (a) English speaking (b) French speaking (c) fully bilingual?

[*Translation*]

**Mr. Cantin:** The management of Trans-Canada Air Lines advise that the company has no employment category of "air hostess" but that there is a category of "cabin attendants" which include stewardesses and pursers. In this category since June, 1962, the number employed total 95, all of whom spoke and understood English. Of these 53 spoke and understood French and English.

[*Text*]

PENSIONS TO FORMER MEMBERS OF PARLIAMENT

*Question No. 1,595*—**Mr. Latulippe:**

1. How many former members of parliament receive a pension pursuant to the Members of Parliament Retiring Allowances Act?

2. What amount has the government spent for this pension plan since its inception?

[*Translation*]

**Mr. Benson:** 1. 131 former members at present.

2. The following amounts have been credited by the Minister of Finance to the members of parliament retiring allowances account up to October 31, 1963:

In respect of current service under section 4(a) $721,760.58; in respect of prior service under section 4(b) $787,416.76; interest on balance to credit of account under section 4(c) $605,210.64.

[*Text*]

NEW FEDERAL BUILDING, HALIFAX

*Question No. 1,601*—**Mr. Coates:**

Does the government intend to proceed with the proposed new federal building in Halifax on the site of the old Barrington street armouries and, if so, is it the intention of the government to name the building the Sir John Thompson building?

**Mr. Bandanai:** Yes, during the next fiscal year subject to the approval of funds by parliament. It has been decided to name the

building in honour of Right Hon. Sir John Thompson, a former prime minister who was a native of Nova Scotia.

CIVIL SERVICE COMMISSION COMPETITION 63H-612

*Question No. 1,608*—**Mr. Macquarrie:**

1. How many applicants entered civil service competition 63H-612 for fruit and vegetable inspector?
2. How many qualified as eligible for appointment?
3. Where was the examination held?
4. Who were the members of the examining board?

**Mr. Pickersgill:** I have been given the following answer by the civil service commission:

1. 63.
2. 24.
3. Oral examinations were held in Charlottetown on September 10, 11 and 12, Summerside on September 12 and 13, and O'Leary on September 13.
4. Members of the examining board were as follows:

Charlottetown, September 10, 11 and 12: F. M. Deacon, civil service commission officer, Halifax district office; Jack Cutliffe, research officer, experimental farm, Charlottetown, P.E.I.; G. A. Harrison, district supervisor, Department of Agriculture, Charlottetown, P.E.I.

Summerside, September 12: F. M. Deacon, civil service commission officer, Halifax district office; J. I. G. Ross, supervising inspector, plant protection, Charlottetown, P.E.I.; G. A. Harrison, district supervisor, Department of Agriculture, Charlottetown, P.E.I.;

Summerside, September 13: F. M. Deacon, civil service commission officer, Halifax district office; J. I. G. Ross, supervising inspector, plant protection, Charlottetown, P.E.I.; A. L. Hardy, senior fruit and vegetable inspector, Summerside, P.E.I.

O'Leary, September 13: F. M. Deacon, civil service commission officer, Halifax district office; J. I. G. Ross, supervising inspector, plant protection, Charlottetown, P.E.I.; A. L. Hardy, senior fruit and vegetable inspector, Summerside, P.E.I.

N.H.A.—LOANS TO FAMILIES WITH INCOMES UNDER $3,000

*Question No. 1,611*—**Mr. Mather:**

1. What was the percentage of families borrowing under N.H.A. in 1962 in the income group below $3,000?
2. What is the percentage of all Canadian families in that income category?

**Answer:** 1. 0.03 per cent.

2. Data for 1962 are not available. For 1961 the percentage for non-farm families was 22 per cent.

*Questions*

LEASE OF SPACE, FULLER BUILDING, OTTAWA

*Question No. 1,620*—**Mr. Macquarrie:**

1. Has the Department of Public Works entered into an agreement to lease or rent space in the Fuller building, Slater street, Ottawa?
2. If so, how much and at what rate?
3. For what purpose is the space intended?
4. Were rates sought for alternative space?
5. From what firms?
6. What were their quoted rental rates per square foot?

**Mr. Badanai:** 1. It is understood that this question refers to the MacDonald building on Slater street in which case the answer is yes. A formal lease has not yet been executed although a commitment to enter into a lease has been made.

2. 96,420 sq. ft. at $384,000 per annum.

3. To provide accommodation for part of the departments of defence production and industry by January, 1964.

4. Yes, but there was no alternative which would have provided the space required at the time required.

5. Answered by 4.

6. Answered by 4.

DEEP SEA FACILITIES, PORT MOODY, B.C.

*Question No. 1,628*—**Mr. Douglas:**

Has the government any plans for the development of deep sea facilities at Port Moody and, if so, what are they, and has this information been made known to the municipal authorities?

**Mr. McIlraith:** Plans for the development of harbour facilities at Port Moody will have to be considered in the plans for general development of Vancouver harbour which will be studied by the Vancouver harbour land use committee.

NORTH SHORE HARBOUR DEVELOPMENT, VANCOUVER

*Question No. 1,629*—**Mr. Douglas:**

1. Has the government any plans for the development of the north shore of Vancouver harbour and, if so, what are they, and has this information been made known to the local municipalities?
2. Has consideration been given to the establishment of an independent board of Vancouver harbour commissioners and, if so, what is the result of such consideration?

**Mr. McIlraith:** 1. A Vancouver harbour land use committee has been formed for the purpose of setting up a long term plan for the optimum use of land and waterlots within the limits of Vancouver harbour. Such limits, of course, include the north shore. The committee's functions will be advisory and plans prepared by the committee will show, for the guidance of municipal, provincial and federal authorities and property owners within the limits of Vancouver harbour, a general type of use to be made of the area. The committee will consist of representatives

of municipal, provincial and federal authorities and business organizations having an interest in the matter.

2. As this relates to a matter of government policy any announcement will be made in the usual manner.

*INCREASED WELFARE PAYMENTS—REPRESENTATIONS BY MANITOBA

*Question No. 1,633*—**Mr. Dinsdale:**

1. Has the government of Canada received representations from the government of Manitoba requesting that the old age assistance, blind and disabled persons allowance be brought into line with the recent $10 increase in old age security payments and, if so, what is the nature of the representation?

2. What reply has been made to the government of Manitoba?

**Mr. Haidasz:** 1. and 2. (a) Copies of the following resolution passed by the legislation of Manitoba on May 6, 1963, were received; that this house request the government to petition the federal government for an increase for old age and blind pensioners in the province from $65 on the basis of need to $75 per month or higher.

The Minister of National Health and Welfare replied to the hon. minister of welfare of Manitoba on May 27 referring to the announcements of welfare measures which the federal government would be submitting to parliament, and indicating that while she could not say at that time what consideration might be given to the two acts referred to in the resolution, provision for elderly and blind persons was a matter in which this government would always maintain a deep and sympathetic interest.

(b) A letter dated September 4 was received from the Hon. Duff Roblin acknowledging a letter from the Minister of National Health and Welfare concerning the federal-provincial conference on the Canada pension plan. Mr. Roblin repeated that Manitoba was prepared to implement now its share of the associated increases that will necessarily have to be made in old age assistance, blind and disability pension programs.

Since this was a letter of acknowledgment and since the matter was to be discussed in relation to the Canada pension plan at the conference a few days later, no reply was made.

(c) A telegram was received on October 31 from the hon. the minister of welfare of Manitoba asking consideration of the implementation of changes necessary for an immediate increase of $10 per month in old age assistance, blind and disabled allowances.

The Minister of National Health and Welfare replied on November 1 indicating that this is one of the matters which will be discussed at the federal-provincial conference later this month.

[Mr. McIlraith.]

*CHANNEL DREDGING, LAKE WINNIPEGOSIS

*Question No. 1,647*—**Mr. Forbes:**

What has been the total cost of clearing channels by dredging on lake Winnipegosis for each of the years 1956 to 1963 inclusive?

**Mr. Badanai:** The total operating costs to maintain dredging services on lake Winnipegosis from 1956-1963 have been as follows: 1956-57, $41,187; 1957-58, $36,462; 1958-59, $41,233; 1959-60, $39,247; 1960-61, $54,122; 1961-62, $47,974; 1962-63, $47,393.

BREAKWATER REPAIRS, WEST ARICHAT, N.S.

*Question No. 1,650*—**Mr. Muir (Cape Breton North and Victoria):**

1. How much money has been expended on repairs to the breakwater at West Arichat, Richmond county, N.S., within the last month?

2. Who was in charge of the job?

3. What were the names of all the employees and what remuneration was received by each one?

**Mr. Badanai:** 1. Approximately $1,900.

2. A contract was awarded to Curtis Babin, Arichat, N.S. for breakwater repairs at $1,900. And the work, which has now been completed was under the over-all supervision of the district engineer for the Department of Public Works at Halifax, N.S.

3. All employees were hired by the contractor and the department does not have a list of their names.

NORTHUMBERLAND STRAITS TEST BORINGS

*Question No. 1,653*—**Mr. MacLean (Queens):**

1. Have Hersey Soil Investigations Limited completed their test borings in Northumberland strait, at the site of the proposed causeway?

2. Has any report been made to the government on the result of these tests?

3. If such a report has been made, does it support the conclusion that the building of a structure carrying a highway across Northumberland strait is feasible from an engineering standpoint?

**Mr. Badanai:** 1. Yes, Warnock Hersey Soil Investigations Limited has completed the 1963 test drilling program. Whether or not additional test borings will be required in 1964 will depend upon design development during the winter.

2. No, the drill cores obtained by the drilling are still being analysed.

3. Not applicable.

GRAIN EXPORTS THROUGH CHURCHILL

*Question No. 1,654*—**Mr. Simpson:**

How many bushels of grain were exported through the port of Churchill in each year since 1946?

*Inquiries of the Ministry*

**Answer:** Ocean shipments of wheat from Churchill, season of navigation 1946-63.

| Year | Shipments[1] bushels |
|---|---|
| 1946 | 2,929,000 |
| 1947 | 4,976,000 |
| 1948 | 5,314,000 |
| 1949 | 5,528,000 |
| 1950 | 6,768,000 |
| 1951 | 7,545,000 |
| 1952 | 8,585,000 |
| 1953 | 10,784,000 |
| 1954 | 12,485,000 |
| 1955 | 13,078,000 |
| 1956 | 16,250,000 |
| 1957 | 16,577,000 |
| 1958 | 19,599,000 |
| 1959 | 21,787,000 |
| 1960 | 19,585,000 |
| 1961 | 19,351,000 |
| 1962 | 21,525,000 |
| 1963 | 22,864,000 |

[1] To nearest thousand bushels.

*MONUMENT TO PATRIOTS OF 1837

*Question No. 1,660*—**Mr. Pigeon:**

Does the Department of Northern Affairs and National Resources, through the historic sites and monuments board of Canada, intend to build a monument to the memory of the patriots of 1837, either in St. Denis or St. Charles on the Richelieu river?

[*Translation*]

**Answer:** After having reviewed the various proposals submitted to the historic sites and monuments board of Canada in the last few years, I must say that no general proposal has been submitted to the board with a view to having erected a monument to the memory of the patriots of 1837, and that neither the department nor the board contemplates for the time being the possibility of erecting such a monument.

However, if the hon. member wants to submit a proposal to that effect, I shall be pleased to pass it on to the board asking them to advise me of their views on that matter.

[*Text*]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

HOUSES BUILT IN NORTHWEST TERRITORIES

*Question No. 1,342*—**Mr. Rheaume:**

1. For each of the fiscal years from 1953-54 to 1963-64, what were the number of (a) low cost houses (b) welfare houses, built by government in the Northwest Territories for (i) Eskimos (ii) Indians (iii) others?

2. What is the number of houses in each of category (a) and (b) above and for groups (i), (ii), and (iii) above planned for each of the fiscal years 1964-65 and 1965-66?

Return tabled.

EMPLOYMENT OF DISABLED PERSONS

*Question No. 1,447*—**Mr. Scott:**

1. Has the government received representations asking it to establish a quota requiring employers to hire a certain percentage of disabled persons and, if so (a) from whom were such representations received (b) when were they received (c) briefly, what was the nature of these representations, and (d) what was the government's response to them?

2. What types of financial assistance does the government supply in the field of rehabilitation, and what were the totals for 1961 and 1962?

3. Has the government received requests for such financial assistance to be increased and, if so, from whom were such requests received?

Return tabled.

QUEBEC—CONSTRUCTION GRANTS FOR FISHING VESSELS

*Question No. 1,566*—**Mr. Bechard:**

1. Does the government grant any aid for the construction of fishing vessels with a view to the expansion and modernization of the fishing industry in Canada and, if so, what amounts were spent from January 1, 1963 to date (a) in the province of Quebec (b) in the Paspébiac shipyard, Paspébiac, Bonaventure county?

2. What amounts are included in the estimates for fisheries in the province of Quebec?

Return tabled.

## ROYAL CANADIAN NAVY

DESTROYER ESCORTS—REPORTED PLAN TO REDUCE CREW

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 National Defence concerning a report over radio station CJCH, Halifax, this morning to the effect the government plans to reduce the number of personnel on certain types of destroyer escorts of the St. Laurent class. What has the minister to say in this regard?

**Hon. Paul Hellyer (Minister of National Defence):** I did not see the report, Mr. Speaker, so I am not able to comment upon it. The only thing that comes to mind is that when the St. Laurent class are converted to helicopter deck-type escorts, I think the complement is reduced. The report may have had reference to that.

## TRADE

WHEAT—REPORTED DIFFICULTIES RESPECTING SALES TO RED CHINA

On the orders of the day:

**Mr. Bert Leboe (Cariboo):** In the absence of the Minister of Agriculture perhaps I might ask this question of the Minister of Finance, because it might involve his department as well. My question is related to an article in the Yonkers *Herald Statesman* in

which it is alleged that Canada's wheat sales to red China are turning sour. The article goes on to say that there are behind the scenes manoeuvres to get money from the world bank or other sources to lend to communist China in order to pay for this wheat. I wonder if the minister would like to take the question as notice, or possibly give an answer now.

**Hon. Walter L. Gordon (Minister of Finance):** I think perhaps I will take the question as notice. In the meantime I should like to say that any suggestion that there is anything that might interfere with the wheat sales to China would come as a great surprise to all of us on this side.

## GRAIN

LOADED BOX CARS REPORTED LEFT ON SIDING

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Minister of Transport, or in his absence for the Minister of Trade and Commerce; but since apparently he is absent also I will ask it of the Prime Minister and request him to direct it to the proper department. My question is related to the situation in which box cars Nos. CN 476732 and CN 507276 have been lying on a siding for 10 days fully loaded while there is an apparent shortage of box cars. Why must this situation prevail when the maximum utilization of box cars is essential, and when it results in lower quotas in many areas, as I have repeatedly pointed out?

**Mr. Speaker:** Order. This is a question for the order paper.

## PUBLIC SERVICE

PENSION TO FORMER GOVERNOR OF BANK OF CANADA

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, I have a question for the Minister of Finance. Would the minister confirm or deny reports that Mr. James Coyne, former governor of the Bank of Canada, has commenced receiving a pension of $25,000 a year?

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, at a meeting of the board of directors of the Bank of Canada on July 22, 1961 the operation of the provision in the bank's pension fund bylaw affecting the governor's pension was suspended pending review. Following the review the suspension was terminated. Mr. Coyne has been in receipt of a pension of $25,000 a year effective from the date of his retirement.



## HOUSE OF COMMONS

PRESENCE IN GALLERY OF LINDSAY COLLEGIATE STUDENTS

On the orders of the day:

**Mr. Charles Lamb (Victoria (Ont.)):** Mr. Speaker, as this is a very dull day I want to bring a little sunshine into the house and say that I have 40 honors students of the Lindsay collegiate sitting up in the ladies' gallery.

## EXTERNAL AFFAIRS

CUBA—DATE OF TRIAL OF ARRESTED CANADIAN CITIZENS

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 perhaps I could direct it to the right hon. Prime Minister. Has the government yet received any information as to the exact date of trial of the two Canadians presently under confinement in Cuba?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the Department of External Affairs learned this morning from our embassy that the text of the formal charges to be laid against the two Canadians would be received by them from the Cuban authorities in Havana this afternoon. We expect to have further information when that is received, and I hope to be able to make a statement to the house on the matter tomorrow.

## TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—INQUIRY AS TO SECOND HIGHWAY

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to direct a question to the Minister of Public Works that concerns Canadians from the Atlantic to the Pacific. Is the government giving active consideration to the co-operative construction of a second trans-Canada highway which will follow the Yellowhead pass route in British Columbia, and giving this consideration with a view to early announcement of this policy?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, some time after the federal-provincial conference has taken place we will be in a position to make a statement concerning government policy in relation to the new highways program.

## NATIONAL DEFENCE

REPORTED OFFER OF ATOMIC WARHEADS BY FRANCE

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of National Defence. Has the government any comment to make on the report from Europe to the effect that the French are offering atomic warheads to the members of the defence committee over there at the present time?

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I read the dispatch with considerable interest. It was the first time this had come to my attention.

## TRANSPORT

PROPOSED CANAL ON RIVIERE DES PRAIRIES AT MILLE ILES

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I direct a question to the Minister of Public Works?

Following the brief he received from the committee for the canalization of the Back river and the Mille Iles river, does the Minister of Public Works intend to have his engineers make a detailed study to find out if it is possible to canalize these two rivers?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, the matter is under study.

[*Text*]

## DOMINION-PROVINCIAL RELATIONS

NOVA SCOTIA—PROTEST RESPECTING OFF-SHORE MINERAL RIGHTS

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister now able to answer my question of Thursday last on government policy relating to off-shore mineral rights?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker the hon. member for Cumberland asked whether I would be able to inform the house of the federal government's policy regarding off-shore mineral rights as a result of the protest being lodged by the government of Nova Scotia relating to the granting of a licence to the Shell Oil Company for gas and oil exploration off the Nova Scotia coast.

I am not aware that the government of Nova Scotia has made any protest to this government—none has come to my attention—on this question of exploration rights granted to the Shell Oil Company. In any event, it is the policy of this government to encourage exploration for oil and gas so as to bring about the most expeditious development of the natural resources of our country.

If the hon. member intends to raise a legal question regarding this matter, I would advise him that the oil and gas exploratory permits now being issued to the Shell Oil Company off the Nova Scotia coast are issued under authority of the Canada oil and gas regulations, P.C. 1960-474 of April 13, 1960, and P.C. 1961-797 of June 6, 1961, as amended, which regulations were made pursuant to the Public Lands Grants Act.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, in connection with the statement just made by the Prime Minister, and in view of the fact that there is this dispute not only in Nova Scotia but also in British Columbia arising out of the claims of the provinces to have priority over the federal government, and the view of the federal government that they have the right to grant exploratory licenses in respect of off-shore exploration for minerals, oil and the like, has the government given any consideration to determining this question by way of a submission to the Supreme Court of Canada for a decision as to whether this matter falls exclusively within the ambit of the federal authority or whether it is one of joint responsibility and control?

**Mr. Pearson:** Mr. Speaker, this matter has been under consideration, and in a day or two perhaps I will be in a position to make a more extended reply to the question of my right hon. friend.

## LOTTERIES

EXTENSION TO PROVINCES OF RIGHT TO HOLD LOTTERIES

On the orders of the day:

**Mr. Barry Mather (New Westminster):** Mr. Speaker, I wonder whether the Minister of Justice or the Prime Minister is in a position today to reply to my question of last Friday as to what, if any, consideration the cabinet is giving to conferring on the provinces the legal right to conduct sweepstakes.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I did see the hon. member's question in *Hansard* when I returned. The answer is this. Since this matter is on the agenda for discussion at the dominion-provincial conference which opens a week from today, I think it would be rather premature on my part to make any statement. I think

what should be done by the government is to listen to whatever representations the provinces have to make in that respect, and determine the policy afterward.

## POST OFFICE DEPARTMENT

REQUEST FOR STAMP COMMEMORATING FOUNDING OF 4-H CLUBS

On the orders of the day:

**Mr. George Muir (Lisgar):** Mr. Speaker, I should like to address a question to the Postmaster General. In view of the fact that we have a number of young Canadians in the gallery, and there are thousands of others across the country for whom the 4-H clubs are rendering a great service, would the Postmaster General reconsider his refusal to have a stamp issued commemorating the fiftieth anniversary of the founding of that organization?

**Hon. Azellus Denis (Postmaster General):** With great pleasure, Mr. Speaker.

## CANADIAN BROADCASTING CORPORATION

INVESTIGATION INTO REPORTED FRAUD INVOLVING $30,000

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I direct a question to the Minister of Justice? Could the minister tell the house whether the R.C.M.P. has completed its investigation at the Canadian Broadcasting Corporation concerning an alleged $30,000 fraud?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I wish to tell the hon. member, who was kind enough to give me notice of that question, that the R.C.M.P. informed me that they are not aware of such a theft.

In any case, if one has been committed the R.C.M.P. will surely let me know, but on the date I was given notice of the question, no report had been received.

[*Text*]

## CANADA ELECTIONS ACT

LEGISLATION REDUCING VOTING AGE FROM 21 TO 18

On the orders of the day:

**Mr. Reid Scott (Danforth):** Mr. Speaker, I have a question for the Prime Minister. It arises out of the report in the newspapers of this morning that the right hon. gentleman expects to introduce legislation reducing the voting age from 21 to 18. I have such a measure standing in my name, being Bill No. C-60. I wondered whether the right hon. gentleman would consent to having this transferred to a government order, thereby saving the time and trouble of our overworked staff in preparing legislation.

**Right Hon. L. B. Pearson (Prime Minister):** Well, Mr. Speaker, this party has been committed to the reduction of the voting age to 18 years of age for some years, and we are anxious to see that it is done as quickly as possible.

**Mr. Scott:** A supplementary question. I merely wanted to bring this to the attention of the Prime Minister so these people could vote at the election which Mr. Keith Davey is going to call soon.

## IMMIGRATION

HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Did his officials at the ports of entry between Canada and the United States question the legality or propriety of Banks leaving Canada for the U.S.A. while charges were pending and he was out on cash bail?

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** Well, Mr. Speaker, I am not in a position to answer this question, but I will inquire.

## EXTERNAL AFFAIRS

EVIDENCE IN U.S. COURTS RESPECTING CANADIAN JAVELIN COMPANY

On the orders of the day:

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, on Thursday last the hon. member for Port Arthur posed to me a question supplementary to one he had directed to the Secretary of State for External Affairs. I am pleased to tell him that I have had an opportunity to inquire in our department and the answer to the question is no.

## PENSIONS

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—PROVINCIAL WILLINGNESS TO SHARE IN INCREASE

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. Has the minister received a letter from the minister of welfare of the province of Manitoba asking her to correct the impression

which she gave in an answer to a question of mine on November 7, when she was unable to say with certainty whether Manitoba had offered to participate in increases in the payments made under the various joint pension plans? In the light of the information given to the house today by her parliamentary secretary in answer to starred question No. 1,633, can she now make a definite statement on this matter?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, I did receive such a letter. When my hon. friend asked me whether I could say which provinces had indicated they would take part in these programs I had not had any notice and could not remember, so I answered no. Then my hon. friend also asked me specifically with reference to Manitoba whether I could remember its decision, I could not remember what attitude Manitoba had expressed, and so I said I could not answer with certainty.

Apparently this has been misconstrued in Manitoba as indicating that the Manitoba government had taken a position which in fact they had not taken, namely that they would not wish to participate in these cost sharing programs. I am pleased to have this opportunity, and I thank my hon. friend for providing it, to correct this impression, and set the record straight.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I should like to ask a question of the Prime Minister. Would the Prime Minister straighten out Mr. Keith Davey as to who has been calling the seemingly endless supply motions and confidence votes?

## TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

AMENDMENTS RESPECTING PAYMENTS TO PROVINCES, ETC.

**Hon. A. J. MacEachen (Minister of Labour)** moved the second reading of Bill No. C-105, to amend the Technical and Vocational Training Assistance Act.

**Mr. Pigeon:** Mr. Speaker, the minister or his parliamentary secretary is supposed to reply to the questions we addressed last week, and we hope to have the answers.

**Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour):** Mr. Speaker, on the resolution stage a number of questions were posed by hon. members on the opposite side of the house, and a number of statements were made. I wish to thank hon. members for their contributions, and for their co-operation in getting the resolution through in what can be termed markedly short order.

The hon. member for Ontario, the former minister of labour, is a man for whom I have great admiration. He and I are probably among those members least qualified to be ministers of education; our alma mater would seem to be the school of hard knocks, and for this reason I have great affinity for the hon. member. I have been going through the Parliamentary Guide, and I notice that we have both received a great deal of our education since we found it necessary to make our own way in life.

However, this need not deter me from commenting on some of the points he raised. The hon. member took exception to my statement that this was an entirely new measure. If he will examine what I said he will find I was referring to a statement made by the Minister of Labour on June 10, at which time he put forward what he termed a new manpower development program. Some of it was entirely new, and other parts of it constituted an extension of the program already in existence.

The hon. gentleman took exception to the fact that the bill introduced in the previous session of parliament by himself with respect to manpower adjustment had not been revised. If that criticism were valid I think it could equally be said that it was unnecessary in 1961 for the government of that day to have brought in the technical and vocational training act because there was already in existence, as of 1942, the Vocational Training Co-ordination Act. There is not a great deal of difference between the two acts, and amendment would have sufficed. I am sure the hon. member will feel upon reflection that the introduction of amendments at this time to the technical and vocational training act is quite in order.

Aside from that, the hon. member made a constructive contribution, as did the hon. member for Medicine Hat, the hon. member for Kindersley, and the hon. member for Vancouver-Kingsway. The hon. member for Kindersley has obviously had a great deal of experience in the field of education and vocational training.

The hon. member for Quebec East made some statements, however, which I believe are not valid. If we reread them we will realize that the hon. member was speaking of the past and of the circumstances which prevailed before these amendments were introduced. He referred to the minister of youth for Quebec as having made certain statements suggesting that Quebec was not receiving its share under this program, and that the program discriminated against Quebec. Well, this

has no relation whatever to the facts. Mr. Gerin Lajoie, who is minister of youth in the province of Quebec, is also chairman of the provincial ministers who have met on occasion and who, at their most recent meeting, drafted a statement to the federal Minister of Labour asking specifically for the amendments which are contained in his measure. I should like to quote from that brief in order to demonstrate that this is a fact. The second last paragraph of the brief presented to the Minister of Labour by this committee says:

> For the reasons here briefly set forth, we now believe that the national interest makes it imperative that the federal technical and vocational training act be amended so that the federal government's contribution in respect of capital expenditures incurred by the provinces be calculated at 75 per cent of all such expenditure made prior to the end of the agreement, the 31st March, 1967.

That is the essence of the amendments now before us though there are, of course, several other provisions having to do with the training aspects of the program.

I have a brief prepared statement which I should like to read to the house since hon. members now have the bill before them. I might say that I am unable to answer the question raised by the hon. member for Joliette-L'Assomption-Montcalm. I have not had an opportunity to discuss the matter he raised, but perhaps tomorrow on the orders of the day he may be able to have his question answered by putting it directly to the minister concerned.

The provisions of Bill No. C-105 reflect in detail the proposals announced in the house by the minister on June 10 and explained in more detail when the resolution was introduced on October 2. These measures are designed to further strengthen the federal-provincial program of manpower development and training, having particular application to the provision of suitable and adequate training facilities, the training of the unemployed, and encouraging the training of adult employed workers so they may adjust to changing employment conditions.

The first section of this bill provides that in respect of the costs incurred by a province in providing training allowances for unemployed persons, the maximum contribution payable by Canada be increased from 75 per cent to 90 per cent. As the minister pointed out on June 10, 1963 when he drew attention to the major feature of the government's employment and manpower development program, there was at that time the anomaly of high unemployment and a shortage of skills.

Last year training was provided by the provinces for 38,439 unemployed persons, with the federal government contributing 75 per cent of both training costs and living allowances. This was an increase over the previous year's enrolment of approximately 43 per cent, but the program must be increased beyond last year's enrolment if it is to provide for those unemployed who would benefit from training. By increasing the federal contribution to living allowances while maintaining the 75 per cent contribution to direct training costs the provinces will be able to release more funds to support the additional training required. This program for the training of the unemployed is extremely important and must be expanded, but in the longer range it is equally important to provide upgrading and retraining programs for those employed persons who are in danger of becoming unemployed in the future. This then is the purpose of the second amendment.

In subsection 2 of section 1 provision is made for the federal government to contribute an additional 25 per cent of provincial costs in respect of certain programs for employed adults. The purpose of this amendment is to stimulate training in industry beyond the short range production requirements which heretofore have been the general pattern. This extra incentive will be directed to the longer range programs including upgrading of the general background of employed workers in mathematics, science and communications skills, and to the long term, organized development of skilled craftsmen through apprenticeship. It will also provide for the retraining of workers who are in imminent danger of lay-off because of technological changes in industry. It is not the intention of the government to relieve industry of its traditional responsibility for training its employees to meet production requirements, but rather to stimulate provinces to take a more active part in participating with and encouraging industry to undertake training programs that are in the national interest.

Although there has been expansion of the training facilities in excess of 144,000 student places, the development has been uneven among the provinces. Some were in a position to take very limited advantage of the provisions of the legislation. These variations ranged from $51 per capita in the 15-19 age group in Quebec to $480 in Newfoundland. The experience has shown that in spite of the increase in student places up to the present, the response on the part of the Canadian people has been such that even further increases are needed, especially in the provinces where lesser amounts have been claimed.

Section 2 of Bill No. C-105 provides for an extension of the period during which contributions payable by Canada for capital expenditures incurred by the provinces on technical and vocational training facilities will be 75 per cent of provincial government expenditure. The contribution will be continued at this level in each province until the $480 has been contributed on behalf of each person in the 15-19 age group or until March 31, 1967, whichever is earlier. After this time the federal contribution will be reduced to 50 per cent of provincial expenditures. This will allow provinces to share in the provisions for capital facilities to an equal extent, and will at the same time give more time to put these facilities in place. On this basis the amount which would be available to each province before the rate of contribution is reduced to 50 per cent of provincial expenditures would be as follows:

Estimated Federal Contribution If All Provinces Reached $480 Maximum

| Province | Total federal contribution 1961-1967 $(000) |
|---|---|
| Newfoundland | 21,055 |
| Prince Edward Island | 4,164 |
| Nova Scotia | 30,860 |
| New Brunswick | 25,708 |
| Quebec | 224,547 |
| Ontario | 209,176 |
| Manitoba | 24,016 |
| Saskatchewan | 35,003 |
| Alberta | 48,561 |
| British Columbia | 54,118 |

Section 3 provides for an increase in membership of the national technical and vocational training advisory council from 23 to 28 members. This increase in membership is intended to give greater representation on the council to representatives from industry, labour and other interested groups. Subsection 2 of section 3 of the bill provides for an honorarium for the chairman of this council. Because of the growing requirements on council for consideration of matters of national concern, the demands on the chairman are growing. It is therefore proposed to provide an honorarium.

After close study of the total manpower training needs the government feels that these amendments to the Technical and Vocational Training Assistance Act are required to meet adequately the training needs of Canada. I ask the house for a continuation of the co-operation already extended, and because the bill is so vital in the interests of the training of our youth and in the interests of all Canada, I hope it will be passed by the house as expeditiously as possible.

**Some hon. Members:** Question.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, in rising to speak I hear some of my colleagues opposite shouting "question". When we were at the resolution stage we were urged not to speak then in order to save time, and to leave our comments for second reading of the bill. I might tell some of my hon. friends opposite who represent farming constituencies that I intend to deal principally with the need of extending vocational training to the young farmers of this country. Apparently they are not interested in this problem.

I rise to support the principle and purpose of this most important piece of legislation, and to support the suggestions made by various speakers on behalf of this party who spoke at the resolution stage. However, this afternoon I wish to deal with one particular aspect of vocational training, namely vocational training in agriculture, for which there is a growing need in Canada.

I speak as one who has had a rather close association with agriculture and forestry all my life, and I have a great respect for the opinions of farmers and other rural people. I think everything possible should be done to assist the young people in our farming communities to carry on as successful farmers, succeeding their fathers in the days to come. I have heard this question discussed at meetings of farmers, fruit growers and people representing other types of agriculture; I have discussed it myself with a number of individuals including some of the educational authorities of British Columbia and with practical farmers, those who are particularly concerned with the application of this type of legislation to rural communities.

I suppose it is almost a truism to say that everyone interested in farming these days talks about the need of extending vocational training in agriculture, but very little has been done about it to date. As I see it, the main reason so little has been done about vocational training in agriculture is the many different opinions as to what is required to meet this need, and to some extent I have no hesitation in blaming some of the agricultural organizations who I think have failed to grasp the significance of this type of legislation until recent months. However, changing circumstances and growing awareness of the need are causing farmers' organizations to take a more positive approach to this problem. I think this is particularly so in the province of Saskatchewan and also in British Columbia.

Labour organizations and industrial and commercial leaders have already given active attention to this type of legislation and the problem it is supposed to meet, to ensure

that in so far as is possible under the present economic system, vocational training will fill their future needs. However, to date the federal Department of Labour and the provincial departments of education have been given little guidance from farmers' organizations and educational groups with respect to the needs of extending vocational training in agriculture. I give full credit to the federal Department of Trade and Commerce for giving some leadership to industry in the use of vocational training grants, and some provinces have co-operated in analyzing the needs of industry and commerce.

I understand the federal Department of Labour, which is responsible for carrying out the terms of the Vocational Training Assistance Act, has attempted, in so far as federal jurisdiction is concerned, to pursue the same course in respect of agriculture. I hope the minister listens to what I have to say at this point, because I am trying to be my usual constructive self. I am advised that the Department of Labour made a survey of what was required in agricultural training in each province, and they used this information as the basis for discussion at a conference of agriculturists and educationalists that was later called in Ottawa. However, I am advised that with the exception of Saskatchewan the provinces carrying out this survey never sought the advice of practical farmers, but were content to limit their investigations or to obtain their advice from the educational authorities in the provinces concerned.

I do not wish to throw a shadow upon the ability of educational authorities, but in this particular field, when you come to deal with the practical problems related to agriculture which change so much from province to province, from region to region and from one type of agriculture to another, you cannot get sound advice by simply consulting educationalists. You must seek some advice from farmers' organizations and also from practical farmers. We must recognize the fact that the needs in agriculture are changing so rapidly it is difficult to assess them and plan a long term program. We all recognize that difficulty. Agriculture is faced in that respect with the same difficulty as other segments of the economy.

On the other hand, while our program so far as agriculture is concerned is practically in the embryo stage, we must recognize that 13 per cent of the farm labour force of the United States are now using vocational agricultural training facilities, while in Canada to date only 3 per cent of our farm labour force is doing so. There is a big contrast here which should spur us on to greater action.

[Mr. Herridge.]

Now, let us see what is being done in some of the provinces in this respect. I have not the full information, but I have some information from some of the provinces. I am advised that Ontario is offering ten 12-week courses in the fundamentals of maintaining and operating a farm. This is all to the good. I am advised that Quebec probably has the most comprehensive program operating on three levels. I am very taken with the result of my inquiries as to what is happening in Quebec. I am very pleased indeed to see it. I am informed that there are three institutions offering technical agricultural training, and 14 local school boards in Quebec have a good, comprehensive adult training program for men and women at the local level to meet their circumstances, to meet their needs, to meet their convenience and their pocketbooks.

In Manitoba I am advised that apart from the high school diploma agricultural institutes there are practical short courses of three or four days' duration given once per year over television between 10.30 and 12 o'clock, using a special network at low cost when these stations are usually off the air. This is one field that could be investigated and the same principle applied in other provinces. Saskatchewan, I am advised, among the many other aspects of its program, is offering a new two term course in farm machinery upkeep and repair. This is a very necessary course with the increased mechanization on our farms. I have repeatedly gone on farms and found operations at a standstill because no one on the farm could make a minor repair to a combine or some piece of machinery which is very complicated from my point of view. All my early farming days were spent with a walking plow, an axe, a cross-cut saw and a grub hoe. There is training needed in this field, and Saskatchewan is giving a lead in respect of the training of persons in the repair and upkeep of farm machinery.

I am very sorry to say, Mr. Speaker, that in British Columbia our record is rather poor. Out of a total farm labour force of 28,000 there were only 149 students attending day courses and 57 taking advantage of the night courses early this fall. However the agriculture occupational courses at the University of British Columbia are today using vocational training methods.

Now, Mr. Speaker, this could be interpreted as being the fault of too few locations for training in British Columbia, located too far away from prospective students and perhaps not providing the type of training the students want. I have heard that complaint made about the training program that is being undertaken at the moment. In my opinion British

Columbia should establish a permanent practical agricultural school farm giving two season practical courses available to people of all ages who have discontinued their formal education. This program could be interwoven with the vocational training assistance program. This is a very necessary program in respect of the training of young farmers and others who wish to further their training in agriculture in British Columbia.

There are a number of other alternatives I should like to mention, Mr. Speaker. Perhaps the simplest of these would be that both governments should share the cost and more modern and practical courses should be established. We should again encourage our school boards to make agriculture a positive course in rural high schools. I think there is room for considerable improvement in that respect. In conjunction with this, the school facilities and teachers should be available for night classes for adults and for young farmers who wish this additional training. I think that could be woven into this technical assistance program.

Another idea, Mr. Speaker, would be to leave it up to the department of education and the school boards to decide whether they wished agriculture as a vocational training course in their schools, or would like the assistance of the university extension service and government financial aid made available in each part of the province for three or four day courses, each covering one basic facet of agriculture at a time but all of them including accounting and a basic knowledge of soils and fertilizers. I mention these sorts of fringe aspects of technical training because they are all interwoven. I think there has to be a good deal more study given to such technical and vocational training for our young farmers.

However, Mr. Speaker, I wish to make a special plea for further consideration on the part of the minister to the great need for agriculture vocational training in all its various aspects. I suggest the federal departments of labour and agriculture and their provincial counterparts should consult representative farm organizations across Canada and other related organizations, including the agriculture institute of Canada. In addition I suggest that the provincial governments should follow the example of Saskatchewan and seek the advice of practical farmers in various fields of agriculture under varying regional circumstances and conditions.

In conclusion, Mr. Speaker, I again emphasize the need for greatly expanded vocational training in agriculture, and urge that every effort be made to meet this need as soon as possible as a result of co-operation among federal and provincial governments, organizations of various types and farmers. I would say when it comes to something of this type I have great respect for the intelligence and common sense of the farmers of this country who, I am confident, would be ready to offer their wholehearted co-operation to the federal and provincial governments to make sure the young farmers of today have the opportunities they are entitled to under this legislation.

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, before discussing the purposes of this bill I would like to take a little time of the house to extend to the minister, a colleague from Nova Scotia, my congratulations on the better than average job he has been doing since he took over this portfolio. I wish to tell him that we in Nova Scotia are proud of the job he is doing and proud of the fact that, as usual, Nova Scotia is holding up its end in the federal cabinet.

I might also say that as a minister from Nova Scotia he has used the good common sense Nova Scotians seem to be endowed with, in following the policies introduced by the previous minister, the hon. member for Ontario, and in realizing the merit inherent in the legislation that is now being amended.

I am sure that since he assumed the duties of a cabinet minister he has become aware of the fact that there is no magic formula for curing unemployment, and that the best method of effecting the cure that must be carried out is to see that our young people are properly trained and fully capable of entering the labour market, and that our older workers are retrained in a manner that will provide them with their own saleability from an employment point of view.

The minister has proposed four main amendments to the act. The first is to provide that the federal government's share of the cost of training allowances be increased from 75 per cent to 90 per cent. The second is to assist to a greater degree in the "training in industry" programs, by increasing the federal contribution from 50 per cent to 75 per cent of the costs. The third is to extend the period during which contributions payable by the federal government for capital expenditure incurred by the provinces on training facilities will be 75 per cent, and the fourth is to increase the size of the council from 23 to 28 members and to pay an honorarium to its chairman.

I find no objection whatsoever to the first three amendments, and I would just as soon leave the fourth one. There seems to be a growing tendency on the part of the government to increase the size of boards, but I find more can be accomplished with a smaller group of individuals than with a large group, and the effectiveness of a council is usually predicated on the number of individuals placed on it. However, I must say I am in

full agreement with the amendments put forward and will certainly vote for them.

If the minister could assist in persuading his colleagues in the cabinet to extend family allowances he would help this program to an even greater degree, for it would allow people with families to keep their children in school longer so they could take advantage of this vocational training to an even greater extent.

Speaking in Newfoundland on November 12 the minister, among other things, stated:

> Over 530 projects, designed to expand existing vocational schools or to establish new ones, have been approved since April 1, 1961—
>
> The total cost of the buildings and equipment alone will exceed $525,000,000. The federal government has agreed to contribute more than $330,000,000 toward this investment in Canada's future.

I agree with what he said, but I think he should have pointed out, without detracting in any way from his own contribution, that the hon. member for Ontario and the former government put this program on the road. They saw where the problem was and how it could be eliminated. They took the necessary action that today is bringing the rewards we are able to note in the fact that there are over 140,000 new students obtaining this type of technical and vocational training.

There is one matter I would like to raise regarding the calling of tenders for the construction of these institutions to which the government contributes 75 per cent of the cost. I bring it to the minister's attention in the hope something might be done to eliminate grievances that have been developing among certain subcontractors who are not receiving the type of protection that is available to them under the Department of Public Works.

In my constituency there are a number of firms which from time to time submit subtenders to prime contractors for projects of this type, but unfortunately, because the subcontractors do not receive the protection afforded by the Department of Public Works, they find that the prime contractors do either one of two things. An individual prime contractor has either used the subtender, after a contract has been awarded, as a method for renegotiation to force the subcontractor down in his price if he wishes to carry out the work, or the prime contractor has listened to the government of the province, in this case New Brunswick, and has ignored a subcontractor who happens to come from Nova Scotia. This is a result of interference from the government of New Brunswick, and in one case a firm that should have carried out the work was completely eliminated from the job, although unfortunately it was kind enough to provide the prime contractor with the price on which he made his bid and which allowed him to secure the contract.



I realize that the amount of interference the federal government should exercise in the field of education is a matter of some concern to some provinces. However, when the federal government is putting up 75 per cent of the cash I think it has a right to request that certain things be done, and done in a proper manner. In this respect one particular firm, which to my knowledge lost at least two contracts, has been treated unfairly. I do not think the taxpayer has been treated fairly, and I believe the federal government has the right to and should demand protection for all subcontractors who submit bids on these projects. Certainly if this had been the case there would have been more employment in my constituency, and more employment for this very competent firm.

There is also the fact that if this program is continued—and there is every indication that it will be—we will restore a degree of confidence in our unemployed citizens that they did not have before we brought this program into being in 1961. It has been very noticeable in the town of Springhill in my constituency that men who are without jobs and the means of securing employment because of lack of training very quickly become despondent and are not capable of making the full contribution they once did. This retraining of older workers, especially at the higher rates that we put into effect, makes new men out of older men. It gives them a new hope and a new determination, and it makes Canada a better place in which to live.

Anything we as a government can do to improve the education of our people is of great importance to all Canadians. Certainly the investment we are making with regard to this program is tremendous. I think the results are tremendous also. I believe we will have a more qualified working force because of it. However, I think we must take further steps, such as those mentioned by the hon. member for Kootenay West in the field of agriculture. There is still a need to provide a greater degree of training in this field where technology has taken over, perhaps not as noticeably as in the field of industry but to the same significant degree. Anything that can be done to interest our young people in agriculture to a greater degree, and better train them so that when they enter work in this field they are of more value to those who employ them, will be of benefit to the Canadian nation. I recommend to the minister that he give very careful consideration to the recommendations made by the hon. member for Kootenay West.

Mr. Speaker, I would like to conclude by urging the minister to work as hard as he can to convince his colleagues in the cabinet that family allowances should be extended at the earliest possible date, so that parents who are considering what they should do regarding the further education of their children might decide to take advantage of the numerous vocational schools that have been built by the Stanfield government in my province and by other governments in the other provinces of Canada. These parents would be given the security that is available with even this small cheque each month. I would also ask the minister to see that the subcontractors who are submitting tenders to prime contractors for the construction of these institutions are given the protection that they deserve and should have, for it is neither right nor proper that federal funds should be used by a provincial government to discriminate against firms because they happen to be located in one province, whereas the work is being done in another.

[*Translation*]

**Mr. Gerard Perron (Beauce):** Mr. Speaker, I do not want to unduly spin out this discussion, but I feel I would be remiss if I did not make some observations at this stage of the bill.

My first remarks will be to commend the minister for having revised and reconsidered this legislation in order to meet at least the representations expressed last spring by the minister of education of the province of Quebec who called for an extension of the act so that our province could take advantage of it at least until 1967.

I do not intend to recall here all the disadvantages entailed by this act the day it was passed by the federal government. From an educational standpoint, several provinces, like the province of Ontario, were then ready to take advantage of the act. But statistics show that the province of Quebec did not fully profit from it.

I also commend him for having thought of making an adjustment in the per capita grants for the students in the 15-19 age group who, in the province of Quebec, will attend high schools, technical schools and trade schools. This adjustment will more adequately equalize the technical and vocational training all across the country.

I should like to recall here some of the principles at the basis of those representations. At the beginning, when the legislation was introduced, accepted and passed by parliament, I think that the majority intended to facilitate that technical training needed by our young people and, at the same time, provide some assistance for the recipients of those benefits during a period of seasonal unemployment. In brief, those who were completely without means were given allowances while acquiring a better technical or vocational training in the trades already carried out by those older people.

However, I feel that in some cases that training did not turn out exactly as it was expected at the time the legislation was enacted. In fact, I remember certain cases in my riding where this legislation was not a happy experience for young people of 20 to 30 years of age.

Under the Technical and Vocational Training Assistance Act, those young unemployed were taken on a free bus ride of 20, 25 or 30 miles each morning, in winter, to the Beauceville armouries where they were given a certain training.

The first week of the course was somewhat similar to the period when we used to pass our military tests. For a week endeavours were made to find out the aptitudes of the students.

During the second week, training in first aid was about all they got; for a whole week, they received stretcher bearer and hospital orderly courses.

During the third week, they were taught the meaning of some signs on the uniforms of service men in this country; what the stripes on the sleeves mean: if there are two it is a lance corporal; if there are three, it is a sergeant. That was during the third week.

At the end of the fourth week, the teachers tried to stress the advantages of voluntarily enlisting in the army for a period of three years, since the students were out of a job.

That was all there was at the time, to the so-called "technical training" of hundreds of young people in our province. It seems to me that such methods are, to some extent, along the lines of the philosophy expounded the other day by the hon. member for Beauharnois-Salaberry (Mr. Laniel), that is, that the best way to train our young people is to have them undergo compulsory military service.

I feel that there should be other means of giving technical and vocational training to young people. We have, in the province of Quebec, as well as in other provinces, numerous institutions which might, through the instrumentality of the law, offer technical and vocational training to our leaders of tomorrow. In so doing, we would work in the best interest of our fellow countrymen of today and of tomorrow.

I wished to make these few remarks, in the hope that the present type of training might be discontinued, at least in the province of Quebec. I have also noticed that in the province of Quebec the act discourages those

who should have priority in matters of education or who would derive the greatest benefits from a refresher course in their own field.

Here again, I believe that this legislation does not meet completely the requirements of certain trades.

For instance, let us think for a moment of the train of thoughts of a person 45, 48 or 50 years old who, for 25 or 30 years, has been a house painter and who faces unemployment due to the winter season. He is then invited to attend refresher courses. And often, the instructors are young 22 or 23 year old men who never painted an 8 by 4 wallboard, whilst the students, as it were, are persons who practised their trade for 30 years.

Mr. Speaker, I can assure you that, under such circumstances, the people do not get a very high idea of how public funds are spent for vocational training purposes.

However, I would not like my remarks to be construed as to mean that I am not in favour of this improvement in the field of vocational training.

On the other hand, in the province of Quebec, together with representatives of the federal Department of Labour, employers and the officials of certain union groups, we have carried out experiments and designed a method of improvement and education for workers in industry and the trades which proved perhaps more efficient than that to which I referred previously in connection with various trades.

Mr. Speaker, when the act was passed in 1961, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) took part on two or three occasions in the discussion on that legislation which seemed badly needed in this country. However, going through his remarks, I did not find any reference to the fact that this legislation is a direct interference in an exclusively provincial field. On the other hand, the member for Kootenay West (Mr. Herridge) referred to this fact. As for us we have strongly objected to the interferences of the federal government in a field which was and still is, according to our constitution, exclusively reserved to the provinces.

In this connection, I should like to quote an editorial which appeared in *Le Devoir* of February 18, 1963 and reads as follows:

> This claim made by Quebec is all the more legitimate as the funds given by Ottawa for vocational training belong to the provinces. The long term aim of a dynamic government must be to hand back to the provinces the funds which Ottawa grabbed under cover of war and the endless state of emergency which followed.
>
> But until fair agreements have succeeded in fully restoring the spirit of the confederation act, we would in no way be justified in permitting that other provinces than Quebec spend a great part of the amounts that we pay ourselves into the federal treasury.

[Mr. Perron.]

> If the present situation should last, the provocation referred to by Mr. Gerin-Lajoie would result sooner or later in serious consequences for the future of the country.

Mr. Speaker, I shall not discuss the matter any further, but I am confident that hon. members will take those claims into account and that those who will take part in the next federal-provincial conference will better understand our position that may seem uncompromising to those who are not familiar with the problems of the province of Quebec.

Lately, we have heard a fair number of speeches concerning the withdrawal of joint programs in certain fields of economic activity in our country.

Mr. Speaker, I do hope that, in dealing with the measure now before us, we shall not forget that the province of Quebec does not wish to interfere in any way with normal development in the field of science or technology or with progress in any occupational area whatever, and that on a national scale, but it wants to be treated fairly when making claims which it believes to be reasonable and just.

That point of view must be taken into account, and especially in the way those courses are offered. Help is given to improve the knowledge of those who have had a trade or occupation for a good many years or of young people of 20 to 30 years of age who go and take technical or vocational training, in spite of the deficiencies I mentioned a while ago, a training which is very much similar to a military service training and where there was not even the slightest hesitation in handing out to the students—and free, if you please—khaki uniforms used by the armed forces of our country.

Mr. Speaker, that is further proof of the fact that Quebec is right in claiming those amounts which, if they are due to the province, should be paid back to it through its department of youth. Thus, when the legislation is finally adopted, the training would correspond to the aspirations of those youth and meet the standards of our system of education instead of consisting in rather strange technical courses for the training of people between the ages of 20 and 30.

Mr. Speaker, those are some of the remarks I wanted to make. I have no intention of repeating the figures quoted last week by the hon. member for Quebec East (Mr. Beaule) but, for the information of my fellow citizens of the province of Quebec and other provinces who are interested in this problem, I should like to point out the discrimination which took place in the past under this legislation.

It will be realized, in the other provinces, that they are not being treated unfairly if, in the next three years, the province of Quebec

seems to get an amount of approximately $254 million, while Ontario will only be getting $9 million, Alberta $48 million and British Columbia $54 million.

I think that it is simply the result of the fact that we were not ready or that our education system in high schools and technical schools, under the direction of the board of education, did not meet the legal requirements, at that time.

Mr. Speaker, I hope that these few remarks will be taken in serious consideration during the next federal-provincial conference so that there will be a better understanding, in the end, of the Quebec position and its claims. I hope that this is not merely a case of political balloon to which one government or another may resort, at any level whatsoever, during an election campaign.

Mr. Speaker, I think we should also take steps to ensure that the country will be able to make a maximum use of the nation's vital forces. I have here the report issued following a survey conducted by the "J.O.C." in the province of Quebec, in 1960. Very interesting statistics have been disclosed as well as some discouraging ones.

For instance, a survey carried out in regard to 1958 and 1959 graduates of the various professional schools and technical institutes in the city of Quebec alone, showed that out of a total of 94 graduates having sent answers, 42 were engaged in the trade they had learned, 33 had jobs but outside their trade and 19 were unemployed.

Now, that happened a year or two after they had left our own institutions where they had studied for 10, 12 or 15 years.

As for the situation in the city of Three Rivers, an ideal industrial location, according to what is said in the province of Quebec, out of 76 graduating students who replied, 20 were doing what they had studied for, 20 had jobs having nothing to do with their trade and 36 were unemployed.

Mr. Speaker, I think there are gaps not only at the technical and vocational training stage, but also at the formal education level.

The survey that was made shows that, out of 265 answers which were received, 88 persons or 33 per cent were practising the trade that they had learned; 104 or 39 per cent had jobs unrelated to their craft; the unemployed numbered 73 or 27 per cent.

Those figures prove that the gap is not only to be found at the educational level, because, Mr. Speaker, between a well-educated unemployed and a less-educated one, the problem remains the same.

We wish more and more to allow our young people to train to meet the requirements of automation, science and progress, which are our heritage and even more the heritage of future generations.

I feel that the deficiencies regarding this disastrous period of unemployment at home should be seriously considered together with technical and professional training.

Mr. Speaker, I do not wish to drag on this debate, but I am convinced these few remarks concerning the moneys which by right belong to the province of Quebec will be taken into consideration. As I said, I think that a very large part of the Quebec people wish to see that field, which is properly theirs, belonging to them and remaining theirs, according to standards already established and legislation already recognized by the very spirit of the confederation act.

**Mr. Herman Laverdiere (Bellechasse):** Mr. Speaker, I am happy to have an opportunity of taking part in the discussion of this technical and vocational training scheme.

Indeed, Mr. Speaker, the present world is in such rapid evolution that some sort of intellectual revolution is called for, among our young people as well as among the adults. Formerly, one could for instance, get along after a period of working as an apprentice with a man who thoroughly knew his trade. Moreover, a few years of elementary schooling were good enough for most people to succeed in life. For a large number of young people, especially in rural districts, elementary schooling consisted in a few years spent at school while waiting to be sturdy enough to work. Also, the greatest number were able to secure permanent employment where no particular training was required.

But, particularly in the last few years, applied science has upset our way of life. Automation added to an industrialization which is developing at a pace unknown before especially in Quebec in the last few years has taken us unaware. And that is why we see in every district which did not manage to become industrialized at the same rapid rate, the proportion of unemployment is extremely high, and even where industries are in full development, we have to face another major problem in the lack of trained workers and technicians needed for the operation of those industries. That is quite obvious in the province of Quebec in particular.

We were taken by surprise by this technological revolution, and the present government is doing what it can to remedy the situation.

I am sure that this bill will provide both long term and short term solutions by making possible the technical training of adults, but especially of the younger generation.

Assistance is urgently needed in the province of Quebec since it has the highest percentage of unemployed. That is largely due to uncontrollable circumstances which have prevented us from being ready for certain positions. We need skilled labour and specialists in all fields, but especially in industry. We must make haste to meet growing needs.

In the province of Quebec, we need immediately five additional technological institutes which would train the technicians we need so badly to advise and direct our farmers in connection with ARDA, for instance.

In the field of agriculture also, mechanization has revolutionized farming. It is no longer possible to run a farm in a haphazard way.

Farming must be done on a scientific basis. If a farmer wants to succeed, he must run his business methodically, carefully, according to particular rules and accurate knowledge. Unfortunately, most of our farmers, and they are not to blame for that in any way, are not ready to operate their farm in such a manner. A great number do not know where they are going. They know only one thing: that they do not show much of a profit at the end of the year. How can they change that? They do not know, or rather they are waiting for experts in agriculture to help them, advise them, watch over their progress, technicians and agronomists to organize the ARDA program, which my region in particular needs urgently.

In our rural areas especially, a great many young people quit school in the ninth or tenth grade, sometimes much before the ninth grade, to become lumbermen or labourers. Therefore, they do not learn any trade. Yet, those young people are not without talent, but their parents cannot afford to send them to institutes of technology in a distant city because their travelling and boarding out expenses would be too high, not to mention that there are not enough technical schools.

In order to put to good use the talents of young people who are not gifted for advanced studies and to ensure that the younger generation will not be faced with the same problem as a great number of unemployed who, at 35 or more, are unskilled and without a trade, the necessary steps should be taken as soon as possible.

Let us place at the disposal of our young people the institutes of technology they need. This is an investment which in the long run will bring unlimited dividends as compared to the total loss which, for example, unemployment assistance represents, even if it is a most necessary makeshift at the present time.

Within a year or two, more than 30 regional secondary schools will be set up in the province of Quebec. It would seem a good thing to me if technical training were incorporated in those schools with the science course, the general course, the classical course or any other course. However such an organization is under provincial jurisdiction, so I shall restrict myself to those remarks.



One cannot insist too much either on the help for which rural areas have a special need. In large centres, it is easy to get organized, but it is much more difficult for rural areas, and yet they are the ones where the need is most urgent. Besides, the best way to help the farmers' lot, the lot of those whose income is insufficient, is education. We cannot have another lost generation. The future of our industry, particularly in Quebec, makes it necessary to train technicians.

In Quebec, out of the 300,000 students in our public secondary schools, more than 45,000 should be directed towards technical or vocational training. These 45,000 young people would join the 32,000 who are already in various types of vocational training.

In view of the foreseen and necessary increase in the number of students' registrations—which is a most encouraging fact—and as technical training costs about twice as much as secondary school training, the cost of technical training in Quebec will increase by about $16 million a year, which shows that the province is greatly in need of financial assistance in the field of technical and vocational training.

It happens that because of special conditions the provinces, until about 1962, were not all in a position to take advantage to the same degree of the agreement under the Technical and Vocational Training Assistance Act.

For instance, during these last few years, Ontario, with 34 per cent of the Canadian population, is said to have reaped to date 65 per cent of the total benefits, while the province of Quebec, with 28 per cent of the population, hardly received 5 per cent. I am pleased to note that this legislation will correct a seriously unfair situation toward Quebec.

That unfairness will be corrected by this legislation because of the extension of this assistance provided by this government, since the share of each province is based on $480 per capita in the 15 to 19 age bracket, and the province of Quebec will receive some $70 million more on a total additional amount of over $121.5 million.

We must make headway, and fast. Our young people are growing up realizing that their parents are almost smothering in a world which changes too fast. The younger generation must not face the same lot. We should not allow one single young Canadian

to quit school before knowing a trade or a profession and the authorities concerned have the responsibility to make the required training facilities available to them.

I think it was Edgar Dale who said that the saddest funeral oration one could make about somebody would be to say that his hidden talents remained unknown. We only have to note how well attended our adult classes are to realize the profound need felt by all to get a higher education.

Then, what about the assistance to be provided for adult training? A sociologist once said: "If you think you know everything about something you are old already and if you think there is no better way than your own, then you *are* old; but if you readily admit that you know very little in any field, then you are still young".

Mr. Speaker, it is easy at any age, with a little effort, to improve one's education. In fact, the ideal time is when you are an adult and your life is at its height. Only frivolous or lazy people will say: "I am too old to learn". It is not one's age that counts but one's outlook on life.

By providing adults with the required training facilities, we achieve three important objectives as follows:

1. The teaching of a trade to persons who otherwise would nearly always be victims of unemployment.

2. The reduction of government assistance in social welfare activities of all kinds.

3. The use, to good advantage, of part of the workers' free time.

In closing, Mr. Speaker, let me say with Mr. Coady: "The man who has ceased to learn should not be allowed to run around loose in times so dangerous as ours."

[*Text*]

**Mr. O. W. Weichel (Waterloo North):** Let me say at the beginning, Mr. Speaker, that I regard our vocational and technical training program as one of the most progressive steps forward in our fight against unemployment. When a Progressive Conservative government introduced this far reaching program back in December, 1960, it had as its intent not only fighting unemployment, but its main purpose was to plan for our future needs and head off unemployment. My friend, the hon. member for Cape Breton South (Mr. MacInnis), said at the time the legislation was introduced that anyone who had studied the bill would have to admit it was the most positive step forward in the training field ever taken in this country. So say we all.

The impact of this program in three short years has been tremendous. When we left office in May of this year, the building program had approached the $450 million level. Of this total, the federal government had contributed 75 per cent or, in other words, an investment by the federal government of $340 million in the training of skilled manpower and human resources. I am pleased to see that the present government is following along the path we blazed for it. However, last week in St. John's, Newfoundland, the Minister of Labour (Mr. MacEachen) reported that the program was now at the $525 million mark and that facilities had been made available to train 140,000 new students each year. I am amazed, however, at the bland and nonchalant statements contained in the minister's speech. Not one word does he devote to the history of the vocational and technical training school program. In other words, he would lead his audience and other listeners to believe that all this came from big daddy. However, on a subject as important as this, I do not want to drag the debate into a partisan arena.

I should like to say that I am entirely in favour of the program which, to date, has been a resounding success. I heartily commend the present government for its vision for continuing our program, and I hope that those provinces which have not participated as fully as they might will now take advantage of the opportunity to do so. It is now evident that the expanded technical and vocational training program promoted by our former minister of labour and the then government will have a beneficial effect on the whole educational system. Furthermore, other countries have shown an interest in the happenings in this field of development because it is obvious that the former government made great progress. Most important, Canadians have a new interest in education and appreciate as never before the importance of proper preparation for careers and the need to keep abreast of the times—yes, ahead of the times.

In my own riding, four projects were undertaken. The total cost of these improvements was over $2.6 million, and the federal government's share amounted to almost $2 million. Training facilities were provided for more than 1,100 students. It has been my pleasure to visit most of these buildings and I am certainly very much impressed by what is taking place. Before closing, I should like to point out that our government took the trouble to clear these arrangements with the provinces. All applications originated with the municipalities and there was a close accord and harmony between the federal government, the provinces and the municipalities. A word to the wise, I believe, is sufficient.

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, two parliaments ago when this legislation was initially introduced my colleague at that time, the hon. member for Peterborough, Mr. Pitman, and I were critical of some aspects of the legislation, although we supported it. I should like to go into the justification for that criticism, which I think is still relevant. I do not believe these amendments meet it, and I do not suppose they were intended to do so.

The criticism that we put forward at that time really related to the fact that the legislation, because it did not fall within any kind of framework or plan, was not going to meet what most of us, and the minister, put forward as the justification for it, that is that this was going to be a measure that would provide Canada with the kind of plan and facilities and teaching set-up that would enable us to tackle the problem of the unemployed who were short of qualifications. I was interested in the good speech the hon. member for Ontario (Mr. Starr) made, in which he said, as reported at page 4729 of *Hansard*, that in the time he was responsible for this particular measure a total of 519 projects were completed, including 254 new schools, 4 technical institutions and 47 trade schools, providing space for some 138,000 students each and every year.

Now, let us look at those figures again. There were 254 new schools, 4 technical institutes and 47 trade schools. In other words, the major point that we made initially still holds good. I think the pattern which has developed since the new government took over would support the statement that by far the overwhelming proportion of building that has taken place has been for institutions that fit into the secondary school framework, and not for technical institutes and trade schools which are primarily the kind of institutions which will meet the problem of retraining the unemployed worker who is having difficulty with both his mobility and finding the kind of job to suit his talents.

This point is to me perhaps the most important one in underlining some of the gaps that still exist in our national educational program. It is probably true that the constituency of Port Arthur gained more per capita out of this legislation than any other constituency in Canada. I know a big vocational school is being opened there this coming Saturday, the Grom Morgan school in Port Arthur, and the parliamentary secretary was up in Port Arthur not too many months ago for the opening of another new school. There have also been many extensions to school buildings and a new composite high school down in Geraldton.



In my riding, and in my province, one of the consequences of this legislation is that we have had this marvellous upsurge in plant, but we are no nearer having a coherent program for advanced technical education, or for retraining people in the labour force who are having difficulties meeting the requirements of employers in that labour force, than we were several years ago.

There is no doubt we have an excellent building program. I can understand the authorities in Quebec, in their complaints and bleats which have led to one part of this legislation, that is, the extension of the time limit, because it was quite obvious Quebec was not ready, and misunderstood the intent of the original act. I have seen statements by Mr. Rene Levesque and Mr. Gerin Lajoie to the effect that they misunderstood the intention of the legislation, that it was primarily in the technical institutions and trade school field, but that instead they discovered it was taken up by Ontario and British Columbia as a means of meeting the cost of a great new secondary school building program.

I think we ought to be realistic and admit that out of the act so far we have got a magnificent contribution on the part of the federal government and the provinces that responded to the problem of providing the country with more secondary schools. I insist the program has not really met head on the problem of retraining the older worker, the unemployed worker. The responsibility for this particular challenge is still resting with the local boards of education, many of which are having difficulty meeting it, not only in terms of funds but in finding the teachers and in meshing in a real training program for the older workers in this kind of school plant created as a result of the act, which plant is primarily being used for secondary school purposes.

We have had a lot of well wishing with regard to this legislation, and the idea that it is going to give great opportunity to our young people to have technical and vocational education. We have heard it said that there should be no stigma attached to this kind of education, and that we need more of it. Admittedly this is so, but in essence the new technical schools and vocational schools we have in Ontario are fulfilling merely part of the secondary school program, which I insist is not principally a training for a specific job or for the development of greater skills within this particular age group that will enable them to go right out into the work force.

All that the government has done in providing secondary school places is fine, but it is still not meeting the other challenge. One of the disappointments in this respect is

that the legislation merely consists of three parts which are important. I do not think the last part, dealing with the honorarium and expansion of the council is vital, but the other three parts are important.

The first is that maximum contribution for training allowances for unemployed persons has been raised from 75 per cent to 90 per cent. This is excellent. This is one contribution that will certainly help the local school boards in meeting the cost. The other amendment, increasing the contribution from 50 per cent to 75 per cent of the cost to the provinces for those people being trained in "training in industry" programs, is also excellent; but again neither of these two important items is really going to meet the fact that we have not a coherent national program in this field.

I think I can make this point best from an article by J. B. St. John which appeared in the *Globe and Mail* on March 22, 1963, entitled "Money now, a plan later." It reads:

A country caught up in the technological age inevitably faces new and profoundly complex educational problems. The issues of technical education and training for skill do not challenge the principles of the humanist education, but they force an accommodation and a measure of adjustment. In our kind of society, it is not any longer a question of either a cultural education or a technical education, but rather that both are necessary.

In a simpler society, 200 years ago and more, there were only a few occupations, dominated by agriculture and to some extent by commerce. Most of these forms of work were learned at home, or by apprenticeship or indenture arranged by the home.

After the rise of the industrial revolution, with its machines and impersonal factories, the old methods of learning occupations began to break down. Apprenticeship survived for a time in certain types of skilled jobs. But the refusal of many employers to accept the responsibility and expense of training apprentices created the idea of the technical school to fill the gap. The first of these began to appear in Europe and elsewhere around 1890.

There was a considerable interest in technical education in Canada mainly in the first decade of this century, and following the first world war. The purpose of technical schools was misconceived, however, and they were used as dumping grounds for the academically slow, and after a comparatively small number of technical schools had been built, interest virtually died among the public and in the higher levels of official education.

I think I might divert here to say I agree with this analysis completely because I followed the royal commission on technical education after the first world war, and have seen the developments in Ontario where, during the early twenties and mid-twenties there was this spirited upsurge of technical schools, which failed very largely in their purpose because they did become dumping grounds. The article continues:

Today, nobody could call our society simple. There are thousands of occupations ranging from inexpressibly difficult intellectual work down to the most menial and repetitive of jobs. But the dominant fact of modern life in Canada is that technology has destroyed many basic forms of work for good, and this has left people lacking an adequate education virtually unemployable. Also, the special skills needed in industry we have tended to import, instead of training our own people. These outside sources are becoming unavailable. Our indifference to technical education has produced a crisis.

The dominion Department of Labour has been struggling since the war to rouse some interest in a broad pattern of technical education in Canada. Rehabilitation, vocational programs, trade training and the like, have been the subject of many conferences, but the effort has not caught the public ear. It was only when a block-buster approach of an enormous grant for building technical schools, trade schools and other types, offered by the dominion government, was tried that the provinces came to life, and grabbed the money while it was going. Plans came afterward.

The block-buster referred to here was the act introduced by the hon. member for Ontario (Mr. Starr) when he was minister of labour. Mr. St. John goes on:

How far short we are in this country of having a well co-ordinated, thoroughly planned technical training program is evident from the details of the speech by C. Ross Ford, federal director of vocational training, to the conference on education, concluded in this space yesterday. It should be emphasized that Mr. Ford's intention was factual, not critical, but any inference that may be made from this remarkable catalogue of other countries' programs only underlines the woeful inadequacy of what we are doing.

Technical training on all its levels, is not just a matter of schools, teachers and a course of study. It involves a close and active liaison between the school system, employers, unions, parents, young people and adults. It requires the definition of standards of training, co-ordinated examination levels, a clear understanding of the various forms and purposes of technical education.

It also involves the elimination of overlapping and wasted facilities, the abandonment of outdated restrictions, such as the provision that people over 21 cannot be taught elementary subjects in school. It requires the acceptance of school training on an appropriate level, as a substitute for or alternative to traditional forms of apprenticeship. There must be an elimination of restricted admission to some occupations, in view of the huge social necessity for employment opportunities for the millions of post-war young people.

It is a pity that there was not a proper recognition of the foundations for a national technical training program before the financial inducement was offered.

The remark made at the first Canadian conference on education that "there is nothing much wrong with Canadian education that a great deal of money, properly applied, would not set right", is largely fallacious. We do need money, but far more than money we need thoughtful planning, a huge degree of persuasion and public enlightenment and, most of all, an understanding of the structure, mentality and needs of Canadian society.

Then this is the concluding paragraph that puts the thing in focus to me:

Here in Ontario we plunged headlong into an incredible spending spree for technical high schools and additions, amounting all told, if the politicians are to be believed, to nearly $200 million, and we had no plan beforehand. It may not be too late to start.

I do not know whether there is any plan, but I do know that the school boards which have gone for these new schools are getting caught up in the higher cost of the technical and vocational programming that follows from the building. Mr. S. J. Rendall, who is prominent in the Ontario department of education, revealed that technical and commercial courses add 30 per cent to school bills:

> Vocational classes have 20 pupils, on average, compared with 30 in academic courses, putting teacher salary costs higher.
>
> To claims that in metro Toronto vocational classes cost twice as much to operate, Mr. Rendall said metro school boards write off much of their night school costs in day pupils, distorting the school boards' statistics.
>
> Ontario, with only 430 high schools of all types, is building 225 new projects under the vocational training scheme agreed on in 1960 by the two senior governments.

That is from the Toronto *Star* of March 22, 1962. I make this point because there is no provision in this bill for a higher contribution toward these built-up costs that will go to the school boards now dealing with and working in these plans. I think that is a criticism of the bill that can well be made. I think that because these added costs hit the school boards they should receive a larger contribution from the federal government on a continuing basis. I do not know why the government hesitated to do this. I do not know whether it was because of the stock fear that all of us have when we hear the screams from the Quebecers; but it does seem to me this is something that will have to be brought within this program if it is going to be national in scope.

I want to turn to something that is much more current than Mr. St. John's analysis of a year ago. This is the brief that was presented just the other day by the Canadian teachers federation to the Right Hon. Lester B. Pearson, Prime Minister of Canada. This is an excellent brief which really sets out to analyse the situation in Canada with regard to education, and equality of opportunity for education. I think it is a brief that all hon. members should read. I would particularly recommend it to our friends in Quebec who are so anxious to get everything in education within their own province and not have the federal government contributing at all. Some of the statistics, both in terms of the amount of money that Quebec is actually spending for education and the percentage of dropouts in Quebec, are likely to shock them. One of the conclusions to which I came after looking at the statistics was that Quebec, like many of the other provinces, certainly needs to do something desperately about its education. I still remain unconvinced, having heard the arguments, particularly from over here on my left, that the way it should do it is by cutting itself off completely from any relationship to a national plan or national objectives, and in doing this probably scuppering or destroying the intention and the wish of most of the rest of the country to have a national plan and some kind of national framework in this particular field. The Canadian teachers federation says this:

> We intend to state our conviction that this is not merely a provincial problem, but a national one.

I will repeat that for the hon. member from Drummond-Arthabaska (Mr. Pepin). This is what the Canadian teachers federation says:

> We intend to state our conviction that this is not merely a provincial problem, but a national one.

They continue:

> It is not one that might quietly fade with the passage of time, but one that is increasing in urgency. Nor is it merely an emotional argument. It is one that is logical, and based on the knowledge that education has a direct relationship to a nation's economic growth.

I would like to suggest to the hon. member for Drummond-Arthabasca, and other members in this house who have expressed similar views to his, that if he would accept this argument of national economic growth I think he would have to agree that this national economic growth is indivisible in terms of Quebec or the rest of the country. But there is another point in this connection. I want to conclude that part dealing with the analysis of the problem, and the urgency, and come down to this. On page 2 the brief says:

> Canada has long since reached a state of national emergency in education. Educational costs are expected to double in the next decade. The post-war boom in enrolment has not levelled off: indeed the ratio of young children to the rest of the population has been increasing rapidly. Even the practical matter of unemployment is affected more by the general level of education than by limited, short term measures such as the Technical and Vocational Training Act.

In other words, the teachers federation of Canada has come to the conclusion that this particular measure is a limited, short term one. This is the basic criticism that we advanced about this program several years ago and it is one that I repeat here: it is a limited, short term program. I would like an answer from the minister or his parliamentary secretary—a candid answer—as to whether the government intends to make this more than a limited, short term program. I would like to know what answer they are going to give such an analysis by the Canadian teachers federation of this particular program. In the candid answer that I hope the minister will give I would like him to present us with an analysis of what factors apply in the government's thinking at this time. The factor

I want to hear about is whether all these screams, yells and howls from Quebec in connection with such program may be the reasons, or may be associated with the reasons, for the government and the minister not going forward with something that is long term and embracing. The brief continues:

> Measures in any one field can never be satisfactory if built upon an unstable base. Additional training or retraining for jobs requiring technical skills cannot be effective unless those being trained have an adequate basic education. It is at this level—the provision of a generally high quality of basic education—that the problem continues in ever increasing magnitude.

The brief then goes into some of the indicators of inequality. The arguments and statistics in this brief bowl one over when you realize just how unequal are educational opportunities in Canada, both in terms of the proportion of teachers and the retention rates at the junior matriculation level by provinces. I think members from Alberta should be proud of the fact that their province has a 60 per cent retention rate at the junior matriculation level. This goes away down; the bottom rate is for Quebec, 18 per cent amongst the Catholic schools in that province. The Protestant schools in Quebec have a somewhat better record of a 34 per cent retention. The brief goes into the reasons for inequality in terms of the basic wealth that is available to the provinces and the amount of effort the provinces could make.

The conclusion that you come to—at least, that I have come to, and I am sure anyone who looks at this brief closely will reach the same conclusion—is that we desperately need an equality of educational opportunity in this country, and we cannot do it as long as there is one part of the country that says no, or withdraws itself and insists that the other nine parts, in terms of provinces, have to accept the same basic attitude. I do not know what may be the solution to the particular dilemma that we face in this regard, but I do know this.

I am convinced that English speaking Canadians want a national program in a field such as this. They will support wholeheartedly the argument put forward in this brief; and if that means that this approach is unacceptable to the people of Quebec, then in this very important field it seems to me we ought to do what they ask, and that is to have a federal-provincial conference specifically on this question so that we can see where we stand, can get the lines drawn, and know who on the one hand are going to co-operate and accept or ask for leadership and contributions from the federal government, and who on the other hand are going to go along the line of running things on their own. I am convinced that the magnitude both of the problem implicit in this act and in the whole educational picture is such that it has to be met on a national basis with a national effort.

If we are truly two nations—I am sure I can speak with more confidence on this than on anything else I may have sounded off about or gone out on a limb on—I am convinced that English speaking Canada wants such a national program, and that they will respond to the kind of arguments and requests put forward by the Canadian teachers federation. I think all these arguments and points put forward by the Canadian teachers federation are germane to this particular piece of legislation before us, and if the Prime Minister pays attention to this brief and sets up this kind of federal-provincial conference, which seems to me both timely and necessary, then before too many months have passed we will have the act back here with a much grander scope and with greater objectives to meet the national purpose.

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, I do not want to take too much of your time, but I would like to devote a few moments to state my position with regard to the legislation now before us, that is Bill C-105.

I want at the outset to commend the Minister of Labour (Mr. MacEachen), for implementing a piece of legislation introduced by his predecessor—

**Mr. Lamontagne:** And which you obstructed.

**Mr. Ricard:** —who, by means of that legislation, wanted to do a great deal for our young people, our students who are getting ready for executive positions in the industrial or other fields where education is required.

It must be comforting, Mr. Speaker, for the hon. member for Ontario (Mr. Starr) to see that the warnings he gave with regard to the welfare of our young people, are now heard by those who, at a certain time, went as far as to ridicule the proposed scheme. It should be a great comfort for him today to see those people finally realizing that his efforts were not to make political capital, but to help our young people prepare their future.

I still seem to remember the words of the former minister of labour, who urged our young people to continue their studies and not to leave school too early.

His advice was undoubtedly based on his personal experience as the head of a family and also because he had learned during his

career that to compete against his fellow-workers, he needed knowledge and education.

Mr. Speaker, if we consider that the degree of education required by industries generally is much higher than it was only ten years ago, we then realize that we must constantly endeavour to encourage our young people to help themselves to improve their lot. Each year, a large number—far too large a number—of young Canadians leave school to enter into the labour market. Unfortunately, due to circumstances, many of those young people will be compelled to accept second-rate positions all their lives and may never carry out anything but a manual trade; they may perhaps be compelled to operate a machine repeating the same movements hour after hour, day after day, week after week. If there is anything disheartening, it is the monotony of certain jobs and this greatly contributes to discouragement among young workers.

That is why, Mr. Speaker, it is so important to give very special attention to the vocational and technical training of our young people.

Mr. Speaker, may I call it five o'clock?

[*Text*]

**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.

## INDUSTRY

### SUGGESTED ESTABLISHMENT OF NATIONAL LOCATION COUNCIL

**Mr. Arnold Peters (Timiskaming)** moved:

That, in the opinion of this house, the government should consider the establishment of a national location of industry council for the purpose of directing new industry into those regions of the country which are dependent on a narrow industrial base and those which are areas of surplus manpower; and empowering the national location of industry council, in co-operation with the monetary and fiscal authorities, to offer incentives to attract new industry to such regions when requested by provincial and municipal governments.

He said: Mr. Speaker, in moving this resolution this afternoon I am very concerned, as is the government, with areas which are not receiving their fair share of national development. It has recently been said in this house, and rightly so, that many of the areas now falling behind in industrial development are very much concerned at their being designated depressed areas. The area I represent is not a depressed area but one that has certainly lagged far behind the national trend of industrial development. I believe this question is something to which the federal government must give immediate consideration.



There are those, I am sure, who would say that the development of industry is not necessarily a responsibility of the federal government but that it should be left to free enterprise. However, the people of Canada have proven, over the years, that they do wish to do something to help certain types of industry, such as the gold mining industry, in particular circumstances. They have indicated this to the extent of a large portion of the $120 million which has been paid in cost aid to the gold mining communities over the last 16 years. Recently, within the last month, representatives of the gold mining communities came to Ottawa and presented a brief to the federal government in connection with the extension of emergency assistance. Those who are familiar with that presentation will be aware that many, though not all, of those communities had accepted cost aid as something of a permanent nature. Many of them, including the town of Timmins, had accepted it as the solution to the difficulties now being encountered by those communities. Others, including the township of Teck, believe that this form of assistance had not proved the answer to those difficulties. They do not believe it provides a future for the townships concerned and, in their view, it is only a means of maintaining an industry which could not otherwise survive. It is argued that the federal government, instead of raising the price of gold, or negotiating an increased price for that commodity, has preferred to give assistance to the mining communities, and that this alone has enabled them to survive for the last 16 years.

Because of the way in which this primary industry, of such great importance to Canada, has developed, I believe the day should never come when these communities are left to their own resources unless, of course, the situation has radically changed. Some will say that the federal government ought not to involve itself in the community affairs of a particular area. However, we are already doing this, in a sense, by the assistance which is now provided to the designated areas. We have done it, too, in the Atlantic area by the creation of the Atlantic development board and the attempts made to develop new industry in that area. I believe the time has come to give consideration to the needs of other areas in this nation. I have in mind, particularly, the gold mining industry which, it seems to me, can count on no future unless it has the support of provincial and federal governments, and unless the efforts of government at the local level are supported by the presence of new and diverse industries.

I am sure all members are well aware of the contribution which was made by this

industry to the national welfare in the 'thirties, especially, when this country was suffering from the effects of the depression. Many men from other parts of the country came to northern Ontario to work in the gold mines which were then enjoying a relatively prosperous period in relation to other industries. Many of the industries which were then established in the province of Ontario depended upon wealth being produced by the gold mines for their own livelihood. The prosperity of the gold mining industry was a stimulus to the economy of the entire nation. However, these mining communities are now reaching the end of their natural development and there is a need to provide them with assistance in new ways. By the phrase relocation of industry we do not mean taking industry out of one community and moving it to another. We mean that the federal government should provide incentives to encourage industries to enter Canada, or the province of Ontario, in which I am of course most interested, and establish themselves permanently. Possibly special incentives could be given with respect to areas where a certain percentage of the mines are in decline, or where a certain number of mines have been closed down. No doubt, if assistance of this kind were given, industry would be encouraged to enter such areas.

Action along these lines has been taken in Great Britain, though for a different reason. It was found that the facilities available in the traditional industrial areas were heavily overtaxed—there were not enough school houses or services of a municipal nature to allow the addition of substantial new industry in those areas. On the other hand, there were areas, such as we have in Canada, where there was a surplus of manpower and community resources readily available, though the latter could only be used to advantage if industry chose to settle in those districts. Anyone who travels to Britain today and examines the industrial development which has taken place in the north of that country, a region which 20 years ago depended primarily on the shipping industry and on mining, will be surprised at the facilities which have been provided, and the way in which declining industries have been replaced by young and vigorous new enterprises.

It is true that in Britain the government finds itself able to exercise a degree of control which the Canadian government is not yet, and may never be, in a position to use unless the tax relationship between the central government and the provincial governments is radically changed. In the United Kingdom the government is able to decide what concessions shall be made to attract industries to locate in any given area. It is also able to influence the decision whether or not a company may raise the finances necessary to expand or locate in a given area. We may not be in such a position here in Canada, but I do believe there are incentives which could be granted so as to encourage development wherever it was thought desirable to do so. There is no area in Canada which does not possess certain advantages. All areas have assets which could be taken into account by any federal government which wished to provide the machinery necessary to assist them.

I am sure the Department of Industry is going to do this for Canada as soon as it has the facilities available. This is a new department, and I am pleased to note that some of the up to date councillors of the township of Teck—they are not all up to date—have decided that this is the future for their community, that the gold mining economy cannot be bolstered up forever and that new industry is going to have to be provided for the people of that area with the assistance of the federal and provincial governments and a great deal of hard work on the part of the municipal officials all working toward this end.

This has been one of the problems we have faced. I am sure it is also true in the maritimes and in any area where there is an industry that is decaying and disappearing. This is particularly so in the case of mining, because the resource is not renewable. Yet you will find many municipal officials who are pledged to maintaining to the very end the economy of that industry. The situation is no different in the areas I represent or in any other area of Canada. We quite often find municipal officials pledged to maintaining something that is really disappearing and they are not looking forward to the day when something has to replace that which appears to be gone.

As I mentioned, there are assessable assets in any community. There are the people of the community who build their homes and raise their children there. The human asset is one of the most difficult to transfer from one place to another. We have all been aware of the difficulty that always arises with the displacement of labour within a given area, and trying to move that labour to another area where employment may be available. It is not only a question of the remaining that is necessary. There is the fact that people have their roots in the community, which I think gives a great deal of stability to any community and is a most valuable asset. Therefore I believe we should not think of moving people, but rather should think of making assets available that will make it possible for the community to flourish and be a success again.

In each area there are community service assets such as streets, roads, hospitals and fire departments in addition to the new materials in the area. In any given area there is always some natural resource that is an asset to the development of industry in that area. While I am not suggesting that all industry should be based on natural resources, certainly the federal government can survey these assets if they provide this type of service to municipalities and provincial governments requesting it.

Lastly, one of the greatest assets any community can have is its transportation facilities. I am quite happy to say that in northern Ontario we have many forms of transportation which would be a vital asset to any industry wishing to settle in that area. So far as many commodities are concerned, there is no difference between moving them from areas close to Toronto or Hamilton and moving the same type of commodity from northern Ontario to Toronto. Coming north or going south there are none of the great traffic bottlenecks that there are in the metropolitan area, or in the Hamilton-Niagara area, from the point of view of the movement of transport trucks. I have been told by truck drivers that they can leave Kirkland Lake, unload in Toronto and be on their way within the same period of time as a transport coming from Hamilton to Toronto during the day. All it means is another eight or ten hours wages for the truck driver and another barrel or two of diesel oil. This is the main difference so far as transportation is concerned.

We also have the provincially owned railway which is willing to make concessions toward the development of industry, and this certainly will not be a roadblock in developing industry in northern Ontario. We also have air transportation, and as far as the people are concerned the transportation facilities generally are sufficient.

We have another asset that many people do not know about or have not paid any attention to, in that many of the gold mining communities are less than 200 miles from a salt water port. Rail facilities are available, and in time a large percentage of the flow of goods will be to Europe via the port of Moosonee.

In moving this resolution I do not expect that the government is going to accept it immediately because I think it takes a great deal of planning, a great deal of pushing and a lot of hollering before the federal government ever decides to move in any direction. I suggest that we will holler just as loud as the maritimers, but perhaps we will have to holler for a shorter period of time than they did in getting assistance for their area, because I think the idea is generally accepted now that it is not a bad thing for the federal government to assist areas where such assistance is desired by the municipal and provincial governments.

I am sure that the areas of northern Ontario that I represent, particularly those dependent on the gold mining industry, have now come to the conclusion that they are going to have to have assistance from the federal government if they are going to be able to accomplish the secondary industrial development which they need. I should like to add in closing that in our areas community spirit is a very important factor. We do not want to displace our people. We want to use whatever method is possible to keep them there, and if the government wants to make a suggestion on the matter of relocation of industry I will be very happy to listen to any proposition they put forward and try to obtain the necessary support for it.

We have a unique situation in the gold mining industry. Eighty per cent of our people working in that industry are heads of families. Sixty per cent of them own their own homes. The average age of the people working in that industry is over 50 years. I think these factors will indicate to the house and to the country that there is a great desire on the part of these people to stay in that community and to find employment for the people we are training, because within a radius of 100 miles from Kirkland Lake we have the training facilities that will provide highly skilled and trained young people for any industrial development that can be brought to our area. At the present time these people are all being exported to southern Ontario, other parts of industrial Canada and to the United States. I believe that so far as our area is concerned retraining is not going to be the answer nor is relocation of the people. But if we investigate the possibilities that have been opened up by the developments in England and some of the northern European countries, we will be able to do something by way of relocating industry that will be much more satisfactory than relocating our citizens.

[*Translation*]

**Mr. Jean Berger (Montmagny-L'Islet):** Mr. Speaker, it is with a great deal of interest that I looked upon the motion put forward by the hon. member for Timiskaming (Mr. Peters). As a matter of fact, a rather large part of the riding I have the honour to represent in this house is especially interested in industry. We already have firms that export quality products outside Quebec and are gaining an ever-growing reputation, which is saying a lot.

Indeed, who has not heard about the famous Belanger or L'Islet products, whether they be stoves, furnaces and refrigerators, or furniture, textiles and foodstuffs, to mention only those.

But it so happens that we also have a fairly great number of smaller industries which, unfortunately, are faced with too many thorny problems in the finance, labour, marketing and development fields.

It seems to me quite natural in this world of ours, in the middle of the twentieth century, that our areas should try desperately to get more industrialized, particularly in Quebec where we have to suffer an unforgivable lag compared to certain of the other provinces which, I have to admit it, managed to move ahead before we did. But let us not cry over spilt milk, let us face the future with more serenity, thanks to wiser measures which are better suited to our present and future needs.

However, I must say in passing that small industry, back home as elsewhere, is far from being sufficiently protected. It is being bled white and, on account of that, it is too often faced with impending bankruptcy because of our idleness, so we must act quickly. I wish to quote the famous words spoken by a former mayor of the city of Montreal, who was also a member of parliament: "Hurry up, it is urgent".

It is all very well to ask for the establishment of a national location council for industries in order to distribute them more evenly, but I agree with the hon. member for Timiskaming when he says that we must also give adequate warranties of success at all levels, federal, provincial and municipal. Moreover, it is most urgent that before venturing too far in that field, we seek primarily to strengthen and improve the position of the small industries that already exist.

In my opinion, it is absolutely necessary to admit that loans must be made easier by revising credit restrictions and offering to those interested lower interest rates, to make it easier for them to meet their numerous obligations.

The services offered by the industrial financing bank in Quebec, for instance, fall far short of the demand; and when one wants a loan, the maximum amount is so low that it becomes more of a hindrance than a help.

With regard to the chartered banks, they have too often merged, with the result that our people are sent to Roy. Nat. or to what I would call other trusts of the same kind.

Even the income tax is endangering to an alarming extent the survival of small industries, when the advantages granted to bigger plants are considered. I feel it would be advisable to review our taxation system in that connection with the co-operation of the provinces.

That is why I add here that I strongly hope we will secure many tangible proofs of good will from our various governments in that respect, following the federal-provincial conference that will start right here in Ottawa in a few days.

Would we not find there, in that increased assistance to small industries, the ideal means to fight even more effectively unemployment which is the bane of our modern world? Personally, I am convinced of it, and I would dare say, in considering the countless number of small industries operating across our country —I am referring more particularly to the province of Quebec—that nearly 65 to 70 per cent of our unemployed would find jobs if such measures were adopted.

For instance, in wartime, if I am not mistaken, the government had implemented a policy under which it would pay a certain percentage, decreasing with the length of service, of the wages of newcomers or apprentices in some industrial trades. I am thinking for instance about printing or machine shops; we had thus placed on the labour market better qualified workers, men and women better prepared to make a place for themselves, a more desirable and more promising place which has kept improving ever since, as far as they are concerned.

Would it not be possible to consider similar measures, other than the one recently put into effect by the present government with regard to aged workers, and for which we commend it greatly?

We need not have any apprehensions about the participation of our municipalities in such a program, because there is already evidence that they are looking forward to such a measure; in this connection let me give you a concrete example taken in the municipality of Notre Dame Du Rosaire in my riding. Here are a few excerpts from the daily newspaper *Le Soleil* of Tuesday, October 29 last, in that regard:

> In order to bolster the sagging economy of the small municipality of Notre Dame Du Rosaire, in the county of Montmagny, the local municipal councillors have just taken a step which is, so to speak, unique in the province.
>
> As a matter of fact, the councillors of that municipality, which is presided over by the mayor, Mr. Joseph Morin, decided to grant a municipal tax exemption for a period of ten years to any industry which would settle in the municipality.

The municipality of Notre Dame Du Rosaire is situated on highway 26, a few miles from the county seat, Montmagny, and it has a population of 726.

*National Location of Industry Council*

To industries that would like to settle in Notre Dame Du Rosaire, that municipality offers excellent transportation facilities, namely highway 26 which is entirely paved, and the C.N.R. network. The municipality has waterworks and it is situated near the South river. Moreover, a lot of land is available at very reasonable prices for industrial purposes.

The economy of Notre Dame Du Rosaire being mostly based on logging and farming, it follows that the activity is on the down-grade.

That is why, Mr. Speaker, today:

The members of the municipal council show no preference as to the type of industry which could eventually settle there, as long as it can employ about 20 men all year round.

As you may realize it, that community is not that particular.

Here is, Mr. Speaker, an example likely to prompt us to proceed farther with our work.

Our most complete co-operation is assured to the government to which I have the honour to belong, but although I respect and favour the plan contemplated by the hon. member for Timiskaming (Mr. Peters), I must at the same time, in all fairness and decency, point out that important achievement of the present administration, namely the establishment of a Department of Industry.

As was recently indicated by the minister in charge of that important department, there is no intention to take over the part of the provinces as regards the incentives to be provided for private industries.

Just recently, the Minister of Industry (Mr. Drury) stated:

That the objectives of his department were to set up close and continuous contacts with industrialists and businessmen, without overlooking any consultation with economic bodies already set up in the provinces.

He said that the federal government will only mind its own business, wishing to play a part which it is often the only government in a position to play effectively because of its powers.

The minister then recalled that his department covered the whole range of industrial activities in Canada, from textiles to aeronautics, and he underlined that more emphasis would be put from now on, among other things, on the economic development of the communities most seriously affected by unemployment.

Spokesman for the Canadian manufacturing industry in the federal government, the Minister of Industry promised in no uncertain terms to fulfil that obligation and to seek the necessary co-operation of both the private industries and the provinces, in order to achieve a better solution to the economic problems of our country.

[*Text*]

I would like to bring to the attention of my good friend from Timiskaming a booklet, courtesy of the Civil Service Commission of Canada, entitled, "Department of Industry,"



which outlines briefly but effectively the functions and the work of this new department. May I quote more specifically:

—the department will:
promote the establishment of industrial research and development facilities—
work in closest co-operation with provincial departments of industry—
work with all agencies at various levels of federal, provincial and municipal government to provide industrial opportunities in designated areas.

The organization of the department follows as much as possible the natural groupings of industry. Within the 10 operational branches there are 33 divisions, each of which encompasses a major segment of an industrial group and centres its interest on an area of industry which is homogeneous as to raw materials, work processes and end-products.

The major role of the area development agency will be one of co-ordination and promotion. It will depend on line divisions and branches to do much of its research and program administration.

I think this gives an idea and proves to a certain extent I was right in mentioning the facts, as I have been doing so far.

[*Translation*]

Following the establishment of the department I have just mentioned, which has become an accomplished fact, and the statement of the minister concerned on the policy of the said department, I reached the conclusion that the motion of the hon. member for Timiskaming, commendable and well meaning though it may be, has practically no further object, since all he requests is now being happily realized by the present administration, which I want to congratulate, once more, for its successful venture in that important section of our economy I hope, nevertheless, the few remarks I have humbly and personally brought forward will be studied carefully, and, above all, will be implemented for the greatest good of my fellow citizens and of the country at large, for which, you may rest assured, they will be forever grateful.

[*Text*]

**Mr. H. Russell MacEwan (Pictou):** Mr. Speaker, I welcome the opportunity to discuss for a few minutes the motion of the hon. member for Timiskaming (Mr. Peters). The areas to which it refers include the maritime provinces, and especially the constituency of Pictou which I represent. In that constituency the closing down of coal mines, which commenced about 13 years ago, has resulted in the causing of a labour surplus there. The men who worked in the coal mining industry were unable to get other work.

The largest employer in the area is the Eastern Car Company at Trenton, Nova Scotia, which manufactures rolling stock for the railways. The area is dependent a great deal on this type of industry. When engaged at full capacity it employs approximately

1,200 men, but the difficulty now is that the two main railways, the C.P.R. and the C.N.R., need only a certain number of cars and are going into specialization. This has made the area one of continuing labour surplus. It has been so designated by the government, and was also designated a labour surplus area by the former government.

What is needed is other types of secondary industry to employ the workmen in the area. Although the intentions of the hon. member are worthy of commendation, I am not quite sure I agree with his recommendation for a national location of industry council. We have many commissions and councils at present. We have the Atlantic development board; and when I questioned the Secretary of State, who is answerable to parliament for that board, I gathered from his remarks that the Atlantic development board was set up to look into matters of importance to the whole Atlantic area, to provide the necessary climate for development, to provide help in transportation and freight costs, and thereby help the whole area. I also understood that the area development agency under the new Department of Industry would be assisting in attracting new industries.

Perhaps as the hon. member for Montmagny-L'Islet (Mr. Berger) has just said, the terms of reference of the area development agency, under the Department of Industry, are wide enough to carry out the intentions expressed in the motion of the hon. member for Timiskaming, but I sincerely believe that extraordinary measures have to be taken to get areas, such as the one I represent, on their feet.

The hon. member for Timiskaming says that the council he seeks to establish would work in co-operation with the monetary and fiscal authorities to offer incentives in order to attract new industry. It can be pointed out that the former government introduced the incentive of double depreciation, and the present government, through the income tax bill passed recently, has given other forms of incentive. It can also be pointed out that the former government, through the then minister of finance, was able to attract an automobile plant to the Dartmouth area, the Volvo plant from Sweden. I am not an economist or a financier. I do not know what additional incentives would be needed, but in the present situation I feel something out of the ordinary has to be effected.

In the province of Nova Scotia a crown corporation, Industrial Estates Limited, has been set up. This has been able to attract a large number of small industries into the province, including the automobile plant. They construct buildings and rent them to firms, giving the firms an opportunity to purchase the buildings once they are on their feet. In a conversation with the president of that corporation, who lives in the same area as I do, I gathered he felt in order to assist areas such as ours there had to be additional help from the federal government. Industrial Estates have only so much in assets, and federal government assistance is necessary. As I have said, perhaps the new area development agency can carry out this role, but I believe it will have a lot of work to do, and I hope it will have the necessary machinery to do it.

In my own area there is a voluntary organization known as the Pictou county research and development commission. This was set up a few years ago and includes members of the clergy, the steel workers union and representatives of the industries in the county. This commission is attempting to do something for the area. I suggested at a meeting that they get in touch with the Atlantic development board. I believe they have done that, and they have also talked with Industrial Estates. I hope, once the area development agency is set up and the new Department of Industry starts to work, the agency will have people who can go there and talk to the members of this commission. This is a voluntary organization. It can do good work, and I think it is a most necessary thing.

I might point out that in that area the vocational school was opened this fall to help our younger people learn the necessary trades. A labour report was issued after the prime minister of the day, now the Leader of the Opposition (Mr. Diefenbaker), had representatives of the Department of Labour and the Department of Trade and Commerce go to the area and carry out a survey. The report was confidential at the time, but I have been able to see it. The report pointed out that the people in the area, even those who were older, could be educated in the various skills and trades, as well as the younger people. Therefore the necessary labour force is there.

As I said originally, Mr. Speaker, I do not want to speak very much longer on this matter. My own constituency is certainly the type that would be assisted by measures along the lines of the measure introduced by the hon. member for Timiskaming (Mr. Peters). I repeat, they must be extraordinary measures in order to cure a chronic blight which the people of our area have suffered. A couple of good sized industries brought into the area would make all the difference in the world and would give the people of Pictou county a glimmer of light. About two years ago the former government arranged, by way of export credits to assist the Dominion Steel and

Coal Company to sell rolling stock to Argentina. It was estimated that the order, amounting to about $25 million, would keep that plant running for approximately a year. Unfortunately a revolution occurred and the order was of course cancelled. The glimmer of hope was there, but it was soon obliterated upon the cancellation of the order. However, Mr. Speaker, I commend the hon. member for the good intentions he has exhibited in this bill. Perhaps this council would be the proper way to do it, but I urge the government to look into this matter, and in areas such as my own accelerate the program and provide extraordinary measures to assist them.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I have read this evening the notice of motion of the hon. member for Timiskaming (Mr. Peters); incidentally, the hon. member's constituency is close to mine, in the northwest section of Ontario. It seems to me that the notice of motion rests upon serious motives. Its objectives are similar to those embodied in legislation brought in by the government not so long ago.

Here is the hon. member's notice of motion:

> That, in the opinion of this house, the government should consider the establishment of a national location of industry council for the purpose of directing new industries into those regions of the country which are dependent on a narrow industrial base...

I am thinking, at the moment, of some regions where that base is very narrow indeed. Take for instance our own area: La Reine, Rouyn, Noranda, Val d'Or, Malartic, Cadillac, Amos. It goes without saying that it would be a good thing if new industries were implanted there. A moment ago, the hon. member for Montmagny-L'Islet (Mr. Berger) spoke to us of the needs of his constituency for new industries.

However, Mr. Speaker, in spite of the fact that all these objectives are highly commendable, and that the motives are very weighty, it must be admitted that the results obtained so far are not very satisfactory, good intentions notwithstanding. Our section of the country is marking time; no new industries have sprouted there, and we seem content to listen to the goodwill statements of the government and of certain members of our assembly.

This morning, before I left Rouyn, I inquired about the number of unemployed in our area. In November 1963, there are over 1,600 unemployed. Family heads are clamouring for jobs: we suggested they try the winter works program and some found jobs there.



This morning, I had the visit of two bachelors, two young Canadians who want to earn a living. One of them was over 40 and the other one was only 23. The U.I.C. office in Rouyn told them: "You are bachelors and we have to give priority to heads of families." We understand that a father who has many children to support certainly needs more assistance than a bachelor.

However, what are we going to do about bachelors under this well-meaning system?

**Mr. Habel:** They only have to get married.

**Mr. Caouette:** I hear my hon. friend from Cochrane say that they only have to get married. They cannot even afford to do so.

Mr. Speaker, it is easy to say to Canadian bachelors: "Get married", but where are they going to find the money to do so? Where will they find the job that will make it possible for them to consider matrimony?

Those are not solutions, Mr. Speaker. The hon. member for Timiskaming (Mr. Peters) meant well when he introduced this motion because we do need new industries but we have been talking of new industries in northwestern Quebec and northeastern Ontario for ten years now.

The government is well intentioned. It encourages industries to establish themselves in the so-called depressed areas. In spite of those good intentions, just go and see whether a single new industry has settled in those areas following the legislation which was introduced recently by the present government and which grants a tax holiday to new industries which would settle in depressed areas.

Mr. Speaker, the notice of motion of the hon. member for Timiskaming goes on as follows:

> —and empowering the national location of industry council, in co-operation with the monetary and fiscal authorities, to offer incentives to attract new industry to such regions when requested by provincial and municipal governments.

Now, the hon. member for Montmagny-L'Islet was right when he said a few moments ago that the government had already enacted legislation to that end.

> —to offer incentives to attract new industry—

However, we are still at the same point. We are grappling with the problem in Bill No. C-105 since it intends to create new jobs or to help retrain workers displaced or replaced by machines, enabling them to get some training, to become technicians, to acquire new skills in order to be in a position finally to find work.

Now, once again in spite of all those fine intentions, under the present system, an unemployed worker is trained, and instead of having an unskilled unemployed worker,

you have a trained one, who will still be without work. Moreover, there are many such workers in our firms and industries. For example, in my own business in Rouyn, I keep two or three employees—why? So that they will earn a livelihood during winter—while I could have done without their services very easily during that season. Now, these employees have remained in my service so that they could provide for their family and children. I believe our employers do likewise, in order to prevent many Canadian families from being poverty stricken.

Mr. Speaker, I endorse this motion whose purpose is to direct new industries towards our regions and our depressed areas, to develop Canada's natural resources and to help heads of families and our youth improve their lot. If we could do that, I believe we would have achieved something worth-while but I doubt very much that it will be so because automation is making constant inroads with the result that it is difficult for men to earn their living.

We, on this side of the house, are quite willing to co-operate and to go along with the experiments that are suggested but let us do something, let us encourage the establishment of new industries and let us see what will happen in five or ten years from now. That is fine but I hope it will be possible for me, at some other time, to express my views and to set forth a constructive program for the development of Canada's tremendous resources and possibilities. Then, I think Social Credit will have made its contribution to our legislation.

[*Text*]

**Mr. Lloyd R. Crouse (Queens-Lunenburg):** Mr. Speaker, I wish to speak briefly on this measure, for I believe there is much in it to commend itself to the attention of the house. In my constituency recently a seminar was held at Bridgewater to discuss the recurrent problem of winter unemployment. This seminar was attended by municipal councillors, wardens of the municipality and mayors of the different towns in the area, and their problem in that section of Lunenburg county was the traditional one of unemployment during the winter period. We know that this is a seasonal situation; but we have industrious, ambitious people in that section of Lunenburg county, and I believe part of their problem could be solved if secondary industry could be induced to locate in that area. It is quite possible that with the extra incentives suggested in this motion of the hon. member for Timiskaming (Mr. Peters) new industries would locate there.

The idea proposed by the hon. member is not new. I recently returned from the United Kingdom where I had the opportunity of sitting in the British house of commons and listening to proposals put forward. These were recorded in the *Daily Mail* and I believe are worthy of mention:

> Top priority is to be given to the socially depressed northeast in the government's plans for modernizing Britain.
>
> Its population of 2,875,000 will get a bigger share than any other part of the country of expenditure on new roads, houses, schools and factories.
>
> There is to be a continuous improvement in all public services, from libraries and swimming baths to street lighting and parks.
>
> These and other great changes are envisaged as part of the biggest recovery operation for an area hit by high unemployment ever conceived and sanctioned by a British government.
>
> The program for the northeast and another for Scotland, published yesterday as white papers, call for long term investment costing scores of millions of pounds.

I believe something of this nature should be done. When the Conservative party were in power we made a start along these lines. Our subsidies for shipbuilding were a great inducement toward providing employment, especially in Nova Scotia, where our shipyards are booming. But while this has provided employment for a section of our people, there are still some citizens who throughout the winter period are unemployed. I feel that something outstanding must be done. I do not agree that a national location of industry council should be set up. We already have a new Minister of Industry (Mr. Drury) and I believe these areas are now known to the minister and his assistants. I think it would be possible to consult with those provincial and municipal authorities who are well aware of the problem and who could give valuable information to the new department as to what industries could be located in these depressed areas, areas where there is unemployment, and new measures thereby brought into effect which would assist new industry to locate there. I think extraordinary measures are needed. For too long were we in Nova Scotia looked upon as the depressed maritimes. In my view, now that we have the Atlantic development board, this is one problem which could be referred to it, and in consultations between the directors of that board and the new Department of Industry I believe new incentives would bring about an improved situation which would help the areas most affected by unemployment, especially in Nova Scotia.

**Mr. Peters:** Mr. Speaker—

**The Acting Speaker (Mr. Batten):** Order. I should point out to the house that if the hon. member for Timiskaming speaks now he will close the debate. The hon. member for Essex West (Mr. Gray).

**Mr. Gray:** Mr. Speaker, I just want to raise a point of order. I think the hon. member in the Social Credit party who is sitting next to the hon. member for Timiskaming has tried to rise to speak on several occasions.

**Mr. Peters:** Mr. Speaker, I am pleased that no one else wishes to speak on this motion because this will give us the opportunity of taking a vote and I do not wish to delay that, I appreciate the support which has been given to this motion and welcome support in the vote.

**Mr. Gray:** Mr. Speaker—

**The Acting Speaker (Mr. Batten):** Order. The hon. gentleman is not able to speak now. I warned the house that if the hon. member for Timiskaming spoke he would close the debate.

**Some hon. Members:** Question.

**The Acting Speaker (Mr. Batten):** Is the house ready for the question? Moved by Mr. Peters that—

**Some hon. Members:** Six o'clock.

**The Acting Speaker (Mr. Batten):** Is the house ready to call it six o'clock?

**Some hon. Members:** No. Question.

**The Acting Speaker (Mr. Batten):** Order. It being six o'clock I must advise the house that the hour for the consideration of private members' business has expired. The house will now revert to the business which was interrupted at five o'clock.

**Mr. Peters:** Mr. Speaker, on a point of order, might I suggest that you were already in the process of calling the vote and the only reason it has been delayed was because of questions which were raised. I suggest the house continue with the question which you were in the process of putting.

**Some hon. Members:** Hear, hear.

**The Acting Speaker (Mr. Batten):** Order. I shall have to call it six o'clock unless the house decides otherwise. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at 8 p.m.

## TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

### AMENDMENTS RESPECTING PAYMENTS TO PROVINCES, ETC.

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-105, to amend the Technical and Vocational Training Assistance Act.

[*Translation*]

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, when the debate was adjourned at five o'clock, I was saying that the house should give a lot of attention to the Technical and Vocational Training Assistance Act because of its great influence on the career of a great number of Canadians.

The hon. member for Ontario (Mr. Starr) had been concerned for a long time with the question of technical and vocational training. Therefore, as soon as he was appointed minister of labour, he called for a detailed study of the matter. He did not want to enter lightly into such a complex field. And before launching such a program, he wanted first to know the means then at the government's disposal in order to avoid useless duplication.

The provinces were then invited to make their needs known so that a general program that could give satisfaction to all interested parties could be formulated.

These studies have led to the conclusion that the total cost of construction works required to get the program under way was approximately $511 million. Out of that amount, the federal contribution totalled $326 million.

Last week, the hon. member for Ontario told us that the capital mentioned resulted in the construction of 254 new schools, 4 institutes of technology and 47 trade schools.

These new facilities make it possible to accommodate 138,000 new students each year. Fast developments in education, in every aspect, require constant efforts to keep up to date in the field of education as well as the field of vocational training.

I am pleased that the authorities of my province decided to avail themselves of the advantages offered by this legislation initiated by the previous Conservative government.

I have in my hand a summary indicating the projects approved in the province of Quebec between April 1, 1961, and March 14, 1962. It is indicated that 19 institutions in our province benefited from the provisions of this legislation. The estimated construction costs of those institutions was close to $11.25 million with a federal participation of nearly $8 million. The said institutions can provide facilities for some 2,550 students.

It is with pleasure that I bring to the attention of the house the fact that two institutions in the city of St. Hyacinthe took advantage of this act, a Conservative conception. It was, first of all, the textile institute which received grants totalling close to $36,000 for the purchase of machinery and equipment. Then, a

grant of $3 million was paid out for the purpose of helping in the construction of the farm technology institute and the buildings are under construction.

Besides the substantial grants just mentioned, several industrial training classes were organized by the local unemployment insurance office for the unemployed.

Mr. Speaker, in view of the importance of the textile industry in the province of Quebec, and more particularly in the constituency I have the honour to represent in this house, I plan to direct the rest of my remarks to the need of preparing the technicians and leaders needed in that important sector of our economy.

The primary textile industry is the second largest employer in the province. It provides work to approximately 44,000 workers and the gross value of its production reaches more than $500 million every year. There are primary textile factories in a hundred localities of the province of Quebec. It is essential, therefore, to provide for the technical training of the personnel required to take charge of this industry which is so important for our workers.

According to a recent survey, 3,000 more workers having received a technical training will be required in the textile industry of Quebec within the next ten years.

The same survey has shown that in 1960, 2,500 persons were employed in administrative and technical positions. Moreover, it has been estimated that as a result of separation due to illness or retirement, the textile industry in Quebec needs at the present time at least 75 new graduates in textile each year.

In 1970, at least 150 graduates will be required each year to meet the needs of this typical Quebec industry.

According to the experts' estimates and provided that the domestic market and imports follow their present trends, the Canadian textile industry will provide jobs for 121,000 workers in 1970.

I, therefore, urge the Minister of Labour (Mr. MacEachen) to devote his full attention to this problem, reminding him that the St. Hyacinthe textile institute is administered by a qualified staff who has already trained a large number of technicians and professionals in the textile industry. In fact, those professionals and technicians now hold prominent positions in industry not only in Quebec but throughout Canada.

The hon. member for Drummond-Arthabaska (Mr. Pepin) will undoubtedly agree with me that the director of the St. Hyacinthe textile institute and his loyal associates will co-operate extensively with the proper authorities to ensure the continuation of this project in the province of Quebec which came to life under another government and which received subsidies from the previous Conservative government, to train leaders who will be able to make a success out of the Quebec textile industry in the interests of the province and of the country at large.

[*Text*]

**Mr. Fred F. Stenson (Peterborough):** Mr. Speaker, I should like to say a few words with regard to the bill now before us, and particularly as to the amendments having to do with the provision of training to persons in industry. I should like to ask the minister if the legislation is going to help apprenticeship training in industry. I do not feel that the act covers apprenticeship training and I should like to speak on this point for a few minutes. First may I say that our country must feel embarrassed at times at having to go abroad to secure skilled workers for our industries when there are so many unemployed people throughout the country.

Apprenticeship schemes existing in a variety of industries are subject to the uncertainties of Canada's economy. Many schemes do not have legal recognition, as a result of which the government insists that, come depression or boom, apprentices will be guaranteed their full term of training. However, apprentices in a few designated trades are protected in Ontario by a government training program. Outside these designated trades management, conscientious as it may or may not be, has no obligation to apprentices. If lay-offs are necessary the apprentice may be asked to leave in the middle of his training.

There is no general scheme whereby this half-trained young man can be absorbed by his industry elsewhere in Canada so that his training will not be interrupted. He is left to his own resources. He may have to seek entirely different work and he is always susceptible to the temptation of higher wages in a job having a limited future. An unscrupulous employer can also take an apprentice on with the sole purpose of gaining cheap labour. When depression hits the plant a fully trained journeyman, unless protected by a union contract, can be laid off and the apprentice kept on to take over at a lower wage.

This shortsightedness on the part of the employer has raised the ire and the suspicions of labour. The result is that most unions insist on rigid seniority clauses in their contracts to protect the journeymen. A certain number of apprentices are permitted in ratio to journeymen and, if necessary, lay-offs abide by the same ratio. Out of all this situation arguments come from both sides. Management accuses labour of sacrificing apprentices in times of lay-off. Labour accuses management of using apprentices for selfish

ends when they should be treating them as an operational cost and an investment in the future of their particular industry.

This situation is not general. Many companies have apprenticeship plans that are working to the satisfaction of management and labour. The Ontario government has made some advancement in implementing training programs, and each province has been assisted by the federal act which was brought forward by the former Conservative government. I should like to quote two gentlemen, one a union leader and the other a factory manager, in order to point out their views in regard to apprenticeship training. Mr. Ralph Sullivan of the united electrical union has this to say:

> Companies tend to render the subject of apprenticeship to the rise and fall of production. We are naturally opposed to the journeyman being laid off so that management can eventually bring in new, untrained people as cheap labour. Management must take on the obligation of training new workers but not at the expense of experienced men with established service.
>
> Lack of incentive among young men toward apprenticeship is not governed by high wages in other occupations. It is simply because industry will not guarantee them being able to serve their full time. No security is offered. This is what is discouraging youngsters. I know examples where a man has had to spend eight years of his life instead of four to get his trade because his training has been deferred by lay-offs.

Mr. Robert Barrett, factory manager, has this to say:

> An apprentice must be guaranteed his training time. Perhaps the best idea would be to have a training scheme that is outside of labour's seniority clauses and beyond the reach of management as a source of cheap labour. Management-labour committees could be set up within industries to protect apprentices along these lines.
>
> Government should have a hand in this, of course, perhaps on a provincial basis but within a national scheme so that an apprentice can go elsewhere if he is affected by lay-offs. The provincial government—

Mr. Barrett is speaking of the Ontario government.

> —has already done a lot of groundwork on this problem but could be more directly involved. Perhaps governments could subsidize apprentices by paying part of their wages while they are training on the job. This would take some of the onus off management and assure labour that the apprentices are protected.

One can see from these two quotations that these men, leaders in their own fields, are interested in apprenticeship training. There is a lot of talk about the need for expansion in industry, but how can we expand if we have not got the skilled labour? I feel that the Department of Labour, and especially the minister, should give serious thought to instigating proper legislation to improve our apprenticeship training program. It should be possible to secure men for skilled trades in Canada. We should not have to go outside the country to find the necessary skilled workers.



**Mr. Ralph Cowan (York-Humber):** Mr. Speaker, when we are considering this question of further assistance to the vocational and technical training of the young people of the country I look upon it as a very happy coincidence that parliament at the present time is considering the estimates of the Department of National Health and Welfare, because these two matters can be intermeshed to the benefit of Canada and Canadian taxpayers as a whole. When the estimates of the Department of National Health and Welfare were introduced on Thursday the hon. member for Grenville-Dundas (Mrs. Casselman) and the hon. member for Springfield (Mr. Slogan) pointed out that, with such vast expenditures being made by this second greatest spending department of the government, there must be opportunities for reducing expenditures if they are closely examined month by month and year by year.

Speaking along the same theme on Thursday night, I made the suggestion that the first big cut that could be made in the expenditures of the Department of National Health and Welfare, one which would save many of the provincial prepaid hospital insurance schemes now in jeopardy, would be to transfer the training of student nurses from the departments of health in the ten provinces to the departments of education. I pointed out at that time the departments of education of the ten provinces now train young people for every career, trade and vocation there is, except nursing. I suggested that by putting nursing under the departments of education, money would be saved the departments of health.

The Ontario government is making haste slowly in this direction. I sincerely want to compliment them and commend them for what they are doing under the direction of the Hon. Dr. Dymond, the minister of health, and the Hon. William Davis, minister of education. The Ontario government, under the department of education, has been conducting for some years a course for registered nursing assistants at the Beal technical school in London, Ontario, where they are graduating registered nursing assistants. About four years ago they extended this effort to a school in my own riding of York-Humber, the Weston collegiate and vocational institute which now has a course for registered nursing assistants.

I point out that these courses in the Beal technical school in London, Ontario and the Weston collegiate and vocational institute in Weston are under the department of education. This has been a great departure on the

part of the provincial department of health in putting these courses under the department of education. In addition, the province of Ontario, with the ready co-operation of the Hon. Dr. Dymond and under the careful eye of the Hon. William Davis, is instituting a new course for nurses at the Ryerson polytechnical institute. The legislation now before us lends itself to adaptation for the education of nurses throughout the ten provinces.

It is the great anomaly of the present day that, when we have so many unemployed throughout the country, the one vocation that could use more and more employees is nursing and other hospital employment. There is nothing but a shortage of applicants in this area. This is due primarily, of course, to the lack of pay the graduate nurse can expect to receive upon graduation. Second, it is due to the present method of education of nurses. Many young girls resent the convent-like atmosphere of being in by ten every night of the week with one late night in the month. They would sooner have freedom and train for secretaries, stenographers, artists or any other vocation but nursing, because under the nursing education system in use they are cabined and confined in their student days.

By moving the education of nurses over to the department of education under the legislation we are now considering, great assistance can be given to the provincial governments for the education of persons to become registered nurses. It is true that student nurses for generations past, and at the present time, are largely confined to that class between 18 and 22 years of age. I would urge upon the ten provincial governments to give serious consideration to training, under the moneys made available to them under this legislation, married women between the ages of 35 and 40. It seems that in this day and generation women give up bearing children by the age of 30. By the time they are 35 or 36, the youngest child is in school and the mother is at home alone during the day. If attention were paid to educating married women from 35 to 40 and they were advised that they would be trained as registered nurses or certified nursing assistants at a nearby collegiate, vocational or technical school, I am certain that thousands of women would be attracted to this new avenue of employment.

I would suggest that the students who go to these technical and vocational schools, with the assistance provided by this legislation, should be paid by the hour for the work they do at the hospitals where they will be given their clinical experience. Their lectures could be taken in vocational and technical schools or at university buildings, if close; but the clinical experience would be gained at the hospital, where they would be paid at the going rate for the work they do. With these women, both the girls from 18 to 22 with whom we are familiar and the proposed new class of possible nurses, the married women from 35 to 40, I am certain we would attract a large number of applicants, because they would be paid for the work they are doing and thus be able to look after their own expenses while in training.

Of course, suggestions such as these, and the actions of the Ontario department of education in assuming the education of certain nursing assistants in London, in Weston and at the Ryerson polytechnical institute in Toronto, are meeting with a great deal of cluck-clucking on the part of the women who for years have dominated nursing education in hospitals. They are always "viewing with alarm." The provinces have to take a deep interest in this field of nursing education now and for the next few years, because it is the dominant fact facing hospital administrators today.

In the Ottawa *Citizen* of Friday, November 8, there is an editorial entitled, "The Need for More Nurses". This editorial comments on a motion passed at the 1963 convention of the Ontario hospitals association in which that association urged the provincial government to assume the major responsibility for providing new facilities for training nurses. The motion points out that the efforts of hospitals, universities and the nursing profession have failed to meet the existing demand for nurses. The Ottawa *Citizen* states that when the Ontario hospital services commission was brought into effect, the Ontario government had the obligation of seeing that there are enough nurses to support the scheme. The *Citizen* is commenting on the motion of the Ontario hospitals association, but the statement that it is incumbent upon the provincial government to see that there are enough nurses to staff the prepaid hospital scheme applies equally to all the ten provinces as it does to the province of Ontario.

The Toronto *Globe and Mail,* under date of October 15, commented editorially on a report presented to the provincial government by a committee of experts representing the nursing and medical profession, the nursing schools, hospitals and the Ontario hospitals services commission. This report advised the Ontario government to institute a crash program of training in order to get sufficient nurses to staff the hospitals now in existence, and those about to be built. This report states that instead of graduating 2,500 nurses a year as at present, it will be necessary by 1968 for Ontario to graduate 5,000. With graduate nurses from 18 to 22, experience shows that

within four years 75 per cent of the girls are married and only 25 per cent of them are left at work.

If the provincial governments will take advantage of the legislation now being passed —I am certain it will be passed because the Conservatives state that they fathered the bill and the Liberal party is like a mother hen clucking over it—I am sure we will have a very good hatch. I am sure if provincial governments will take advantage of the assistance available to them to put nurses in training in existing buildings, they will be able to produce the number of nurses recognized as necessary, if the hospitals are to operate at their maximum capacity.

The *Globe and Mail* refers to a crash program for nurses, and this is as good a description as any that can be applied to the present necessity. Some years ago there was a tremendous shortage of school teachers, particularly in the secondary schools, and then in the primary schools. The provinces instituted crash programs whereby they gave certificates of teaching ability, to students who had just finished grade 12, for public school teaching, and to students who had just finished university for secondary school teaching. With the crash programs, in a matter of about four years there was a plethora of graduate teachers, and we found that with the shortage of teachers salaries had moved up, so much so that educated persons who were qualified teachers were leaving business to return to the profession.

If teachers will leave business to return to the teaching profession, as has been proven in the case of schools, through the lure of higher pay, then it can be done with regard to the shortage of nurses. There are thousands and thousands of graduate nurses now married; and with a premium rate of pay for holiday and Sunday work, and shift differentials, they can be attracted back from their homes into the gaps that exist in our nursing field. But it is necessary that even more younger and inexperienced people be trained in this field at this time. I sincerely hope that the departments of education will realize that this is, shall I say, a parliamentary-sent opportunity, to introduce the training of nurses under departments of education, with assistance from the federal Department of Labour.

Of course we are going to hear loud outcrys from defenders of the status quo: Where will the teachers come from? I can only suggest on this occasion that during crash programs the teachers for graduate nurses or certified nursing assistants should be routed throughout the provinces in much the same way as are the assize court judges. They travel from county to county holding courts, and because of their legal training, ability and experience they are highly respected in the county court towns where they preside. If teachers now holding forth in schools of nursing should be circulated among new schools of nursing, under the heading of technical and vocational training assistance, they would bring the same high experience to the students.

About three years ago a leader in the field of nursing commented to me that the way nurses are being educated in hospitals leaves much to be desired in some fields, and pointed out there can be a town X where the instructress in maternity will pass all the student nurses of her school on provincial examinations, and the instructress in medicine, not being of high calibre, will have a great number of failures; but in town Y you will find a very expert teacher of student medicine will pass all her nurses, whereas the teacher in maternity, not being of the same high calibre, will have half her students fail. By having experienced teachers travel from school to school a greater majority of the students will pass.

I have already suggested, when speaking on the estimates of the Department of National Health and Welfare, that we should drop the federal grants for nursing education. This will result not only in the expenses under that heading being transferred to another, namely education, but it will at least be in its proper perspective. If departments of education can train doctors and dentists, they certainly can train nurses.

There is an article in this morning's *Globe and Mail* which points out that, because of growing specialization in medical practice, many patients are losing their identification once they enter hospital doors. So many experts look at a patient today that the doctor does not know the patient and the patient does not know the doctor. The article is illustrated with an interesting cartoon in which a patient is lying in bed, and is looking up and saying, "I realize it is none of my business, doctor, but how am I doing"?

This can be adapted to the taxpayers of the country. The country is being besieged at all hours of the day and night by minions of the nursing hierarchy throughout Canada who are urging, "No change, no change, no change." The *Globe and Mail* says we have to have a change; we must have the crash education programs; so that we can turn out 5,000 nurses a year instead of the present 2,500 in Ontario. I presume the figures are relative for the rest of Canada, but we must have an increase in salaries in order to attract girls into this profession. The incentives held out through the legislation we are now discussing will help attain that end, and I would

point out to the 10 departments of education in the country that the federal government is willing to consider adapting these grants to nursing education under the heading of technical and vocational guidance.

I had not intended to make any reference to the comments of the hon. member for Ontario (Mr. Starr), the hon. member for Cumberland (Mr. Coates) and the hon. member for Waterloo North (Mr. Weichel), in which they were claiming great credit for having introduced this idea of technical and vocational training assistance. If they were getting satisfaction out of the claim it is quite satisfactory with me; but when the hon. member for Port Arthur (Mr. Fisher) stood up this afternoon and stated he well remembered the day in 1960 when the former administration had brought in this great assistance to technical and vocational guidance, I became a little provoked. Surely he remembers that great Canadian, C. D. Howe, who as long ago as 1942 introduced technical and vocational assistance to the schools of the provinces of Canada, in order to get aircraftsmen and air technical crews to make the R.C.A.F. the finest fighting air force in the world.

We have no objection to those who fanned into flame in 1960 the embers of the vocational assistance act of C. D. Howe which operated from 1942 to 1947. I know whereof I speak, because after the war I was able to secure a grant, with the co-operation of the hon. member for High Park (Mr. Cameron) who was then in the house, of $700,000 to help build the George Harvey vocational school in the riding of York South. That was the last grant made under the vocational assistance wartime act; and that was in 1947. There is no finer technical school in the province than the George Harvey vocational school, and it was made possible, I would advise the hon. member for Port Arthur, by the genuine and generous co-operation of the then hon. member for Port Arthur.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I would be angry with myself if I did not take part in this debate on Bill C-105 which provides for an increased federal participation in technical and vocational training in Canada.

The purpose of the measure is the further development of manpower and the increase of employment opportunities—

[*Text*]

**Mr. MacNaught:** On a point of order, Mr. Speaker, and I am sorry to make this point of order because I enjoy very much listening to the hon. member speaking, but I believe he has already spoken in this debate this afternoon.

**Mr. Caouette:** No, sir.

**Mr. MacNaught:** I am sorry.

[*Translation*]

**Mr. Caouette:** This afternoon, I was dealing with the motion put forward by the hon. member for Timiskaming (Mr. Peters).

**Mr. Habel:** For once you are right.

**Mr. Caouette:** I forgive the minister for his interruption. It will help me a bit in my comments.

Mr. Speaker—

—"as means towards the further development of manpower.

(a) through general education"

—which, in our opinion, is under the exclusive jurisdiction of the Canadian provinces, according to their education system.

(b) through vocational training.

Here is the definition of vocational training: "To train people who will become an asset in the development of our resources and the establishment of new industries.

(c) The agreements authorized by the statute.

For those agreements, see subsection (b) of section 3 of the act at page 38 which provides this:

For the training of persons in technical or vocational courses given in regular secondary schools in the province where such training is given as a part of the regular secondary school program.

The purpose of this act, according to the resolution that was discussed before the dinner recess, is about the same as that advocated in the resolution or the notice of motion.

In this case, it would be a matter of encouraging people 50 or 60 years of age to go back to school so that our unemployed may acquire new knowledge by attending high schools or vocational and technical schools of the province or the country.

Mr. Speaker, that is, I think, federal interference in the provincial field of secondary education, in the field of basic education which will make it possible to train technicians.

In the province of Quebec, the education system is not the same as in the other provinces. That is why the federal legislation, so far, has helped the other provinces to a greater extent than Quebec.

Consequently, will Quebec have to adapt its education system to the federal system? Or is it impossible to set up here in Ottawa an education system that would adapt itself to each province's system? That is all we are asking for in our province.

Statistical data establish, without any doubt, that with the exception of Quebec, all

the provinces have benefited from that act. Why is it so? Probably because assistance to Quebec is necessarily limited to vocational schools placed under the aegis of the department of youth to which the Quebec schools are responsible. Our federal government is interfering in an educational field which should be placed exclusively under provincial jurisdiction.

In order to treat the province of Quebec equitably, we should allow that province to develop its own system of vocational training.

If the government decided to contribute 90 per cent instead of 75 per cent of the cost of education at the secondary, primary, technical and vocational levels in some provinces or all across Canada, the grants should be paid to the province which should be free to use that money as it pleases and to allocate the amounts where the money is needed most.

The purpose of this bill is also to improve employment opportunities. Well, as I said this afternoon, everybody is keen on improving employment opportunities, but despite the efforts of everyone to achieve the highest level of employment in Canada, the number of unemployed is going up and at the same time production is increasing. Why? Because we have to face automation.

It already existed in 1950 and it is still with us in 1963. We will not settle the problem of automation by trying to create more jobs because the matter is to decide whether machinery, or automation, was invented to serve man or man was created to serve the machine. If development, science and automation were created to serve the human being, the human person, let us try and find another system than full employment which is an untenable solution in the present system because it has no respect for the human being.

We respect the very existence of progress, of science, of automation and, yesterday, the Minister without Portfolio, the hon. member for Matapedia-Matane (Mr. Tremblay), stated this in Quebec before the young Liberals:

> We have a complex problem in Canada.

He claimed there were quacks going around the country and attempting to suggest solutions.

I see the Minister of Public Works (Mr. Deschatelets) is applauding. It is surely because he can readily understand the ideas put forth by the hon. member for Matapedia-Matane. Here is what the hon. member said, and I quote:

> While continuing to accuse one another, the two clans will keep on proposing the "alleged Social Credit solution" to the problems now facing Canada, either in the Thompson version or, with Gregoire undertones, in the Caouette version.
>
> [Mr. Caouette.]

Can you imagine, Mr. Speaker, an economist making such a statement—

**An hon. Member:** Minister of what?

**Mr. Caouette:** That, nobody knows yet. It is probably because he makes speeches like that at cabinet meetings that his future remains to be decided.

Mr. Speaker, a little further on, the minister said:

> Social Credit took advantage of the hard times which Mr. John Diefenbaker brought with him when he came to office in 1957. A country with increasing unemployment despite tremendous natural resources was a good place to spread a Social Credit doctrine which called such a situation absurd.

He calls the situation absurd. I congratulate the minister for saying so. It is true the situation is absurd when one considers our enormous potential.

May I remind the minister that hard times were not created by the members of the Social Credit party, but entirely through the implementation of the Liberal doctrine or that of the Conservative party within the Canadian nation.

And the minister added, a little further, talking about charlatanism:

> The Minister without Portfolio denounced the charlatanism in the measures advocated by the Social Crediters and their promise to distribute money to one and all.
>
> Mr. Tremblay sees there an exploitation of the people's misery because it creates a temptation.

Quite true, it creates a temptation. People going through hard times are tempted to get out of them. Let the minister show us that the Liberal party is able to solve the problem and propose a solution other than Bill C-105, which wants to make professionals out of our unemployed, who will remain professional unemployed.

Then, if the Liberal party can provide each and every Canadian with at least the necessities of life, the right to live, I, the member for Villeneuve, personally undertake to vote for the Liberal legislation, when it is introduced.

Mr. Speaker, we are not the only ones today to propose unusual solutions. I admit that our suggestions do not jibe with the present system but we have had others, not only from those who play at politics but from people in trade, in industry, from sociologists and economists.

I have here a statement, made by Mr. John Snyder, president of the United States industrial corporation, published in the *Western Producer* of October 31, which reads as follows:

[*Text*]

> Mr. John I. Snyder, Jr., chairman and president of United States Industries Inc., was the man who

really focused the sense of urgency. His company makes automated equipment. It is now, I understand, busy developing computer systems to take control of the already automated factories, shoving the need for human decisions back a whole stage further.

His company finances the American foundation on automation and employment for reasons which he acknowledges, are practical as well as humanitarian. He talked bluntly of a 'lost generation' growing up in the United States 'with no jobs and no hope'.

[*Translation*]

Conditions are the same in the United States.

[*Text*]

It includes the young 'for whom there are no opportunities,' and the older workers who have no hope of learning to cope with new machines.

Mr. Snyder emphatically contradicted most of the myths with which most of us have tried to console ourselves.

It is not true, he said, that the new technologies will provide as many jobs making machines as those machines displace. Machines will cut down the jobs in present factories; they will reduce the number of new jobs; and the 'vertical integration' of automated plants will mean closing down many small plants, such as parts suppliers.

It is not true that retraining will solve the problem:—

[*Translation*]

This is a direct attack against Bill C-105.

[*Text*]

—nor that it will take many people to build and maintain automated equipment; not that increased mobility will solve the problem by moving workers to new locations.

[*Translation*]

For instance, in 1932, Jacques Maritain wrote the following in "Les droits de l'homme et la loi naturelle" which I trust, the Minister without Portfolio, the hon. member for Matapedia-Matane has read:

In other words, one should not only consider the law that human labour tends to free itself from servitude. Freedom from physical hardship corresponds to other rights of the social person which numerous forms of social assistance and the old age security program are supposed to guarantee and will no doubt better guarantee if those measures are pluralist in nature (which enable the state to play a role however reduced) than if they are state-inspired.

And a still more profound right requires that everyone, as joint heirs of the common weal, should have his free share—

Note those words, "free share". And not through loans in New York, in Chicago or Boston. Let us use the Bank of Canada, Mr. Speaker.

—his free share of the essential goods, both material and spiritual, brought by civilization to the extent that the community and its organized groups can provide their use free of charge—

Not through mortgage or indebtedness, but for nothing.

—to the human persons of whom it is made up, thus helping them to free themselves of material needs and to move forward through a life of reason and virtue.

Jacques Maritain wrote this in 1932. In 1934, the originator of our system, Major Douglas, wrote:

I would advise my hon. friend, the member for Matapedia-Matane, to read this important work by Major C. H. Douglas. This is what he says:

[*Text*]

The objective of an industrial system.

In attacking an engineering problem the first point we settle, with as much exactness as possible, is our objective. No engineer observer of the discussions which take place in political and lay circles on the industrial problems of the present day can fail to be struck with the fact that the problem itself is rarely stated with any clearness. For instance, the paramount difficulty of the industrial system is commonly expressed as that of unemployment. Therefore the suggestion involved is that the industrial system exists to provide employment, and fails. Those who are engaged in the actual conduct of industry, however, are specifically concerned to obtain a given output with a minimum of employment, and in fact, a decreasing amount of employment. Consequently, those who are talking about industry and those who are conducting industry have in their minds objectives which are diametrically opposed and incompatible.

The main objective of industry is not to find jobs for people nor to offer jobs to Canadian workers or the unemployed in Canada. Industry is supposed to offer services and goods at the lowest possible price in order to be in a competitive position on the domestic and international markets. Those, Mr. Speaker, are industry's true objectives in any country in the world, including our own.

What about industrialization in the bill we are studying? It is all very well to speak of the government's intention to create new industries, to finance the training of our unemployed and to find jobs for them. But after these unemployed have gone through vocational training, in two, three, four or five years, automation or mechanical progress will already have eliminated the need for them.

Mr. Speaker, industry must face competition, it must lower its production costs for it must sell its products, and that is why Canadian industry makes such little progress.

It is true that our industralists are invited to come and settle elsewhere; but the government has become aware of the fact that they do not seem interested. Why? Because, at the present time our industries find some difficulty in selling their products. Management is thus naturally wondering about the advisability of increasing production, or of creating new industrial branches, for it knows that sales are slow. It goes without saying that we have to set a limit on our production, because the consumers are reluctant to buy.

Mr. Speaker, what is the difference between the automation system and the system under which we have lived for so many years? Within the framework of our present system, but taking into account the needs of automation, could we find enough jobs for everyone and hope for full employment? It seems to be mathematically and materially impossible; it is impossible, on the national scale, to attain full employment with the introduction of new machines, of automation.

Unions demand better wages for their members, and we are with them on that point. However, at the same time, industries partly close down, and lay off some of their workers to replace them by machines.

Under those circumstances, what could we do to find jobs for everyone?

Trade unions ask for a reduction of the work week and we wonder, and rightly so, what would be the impact of the implementation of such a policy.

Let us take, for instance, the case of an automated modern plant employing 500 men whose average yearly salary is $4,000. This means a total of $2 million distributed as salaries every year by an automated industry.

On the other hand, let us take another plant, which has not been modernized and which employs 1,000 men (instead of 500) and who receive also $4,000 a year. The operating costs of this plant would amount to $4 million instead of $2 million.

By cutting the work week in half, in order that both plants may attain equal production the following result would follow. In the plant employing 1,000 men instead of 500, reducing by half the working hours would cost $4 million a year.

Now, in the second plant which is not automated and not modernized, and which employs 2,000 men instead of 1,000 expenditures for salaries would amount to $8 million a year. The inevitable result would be that the non-automated plant would have to close shop and yield its place to another plant more modern and better adjusted to new conditions.

It can then be seen that the trend is toward automation and it is to that situation that the government does not wish, so it seems, to adjust itself; it is the problem which the government does not wish to see. In short, it is the problem which our economist, the hon. member for Matapedia-Matane, does not want to face and which he does not want to consider important.

If the Social Credit continues its imposture, as claims my good friend from Matapedia-Matane, who finds fault with us, at least this solution of our party is better than the one which he offers himself or the one which the government brings in.



It is proposed to give assistance for the education of the poor. Now, will this abolish poverty? I submit that such plans were not proposed in 1939, 1940 and 1942 for the technical and vocational training of our citizens who were going to fight for us on the battlefields in Europe. Nobody inquired then whether the young people had been to high school or not. But work was found for everyone: making munitions, setting up the war industry, making cannons, shells, in short, destructive engines.

Why not direct these forces to the construction of peace machines today. Why not direct to this ideal those young people who, at that time, were perhaps two or three years old, but are now 25, 26 or 27?

Mr. Speaker, our country has tremendous assets, but people do not want to face the problem. They get round it. They procrastinate. They waste their time seeking solutions without issue.

Bill C-105 aims at promoting the building of technical or vocational schools so that we may be able to raise the educational level of both our young and older people. But the result will nevertheless be the same as the one we have to face today.

When we meet again in ten years from now, whether it be here or outside this house, we will still face the same problem. As long as the automation problem cannot be considered and settled more responsibly than it is now by the government in office, we will not be able to solve it.

In a book entitled "Automation: position et proposition", Mr. Georges Levard, president of the Confederation francaise des syndicats chretiens, deals with this problem. What does he suggest? A social income produced automatically by the automatic factory. As a matter of fact, here is what we read in his book:

> But there, the essential innovation that automation will compel society to introduce in the field of salaries or, more precisely, of distribution of purchasing power, is not yet emphasized.

Mr. Speaker, I suggest that my good friend from Matapedia-Matane read this article. I continue:

> Since the beginning of mankind, there has been a direct connection, although it was not necessarily exclusive or easy to figure out, between the amount of human work needed for the production of an article or its value. Indeed, that conclusion represents for Marx, who was not the first one to come by it, an important part of his economic doctrine. Now, at best, in an unattainable situation, one can imagine an automated factory with a considerable production, without manpower having any significant part to play. Systems for the long range adjustment of prices and salaries will no longer

work, for because of automation, the rational remuneration of the staff employed and the importance of production do not compare any more.

Neither is that phenomenon completely new, but its magnitude calls for more drastic solutions than that which somehow or other have been invented for the machine-age production. If we are to avoid a bottleneck, we have to assume that the automated enterprise will have to "breed" buying power at the same time as it produces.

Mr. Speaker, that is what Social Credit has been calling for, suggesting and preaching for nearly 30 years now in Canada.

And the author continues:

But it will not be possible for that buying power to be allocated in its greater part to persons according to the part they will have played in production. It can only be a social buying power, or, in other words, socialized, that is placed at the disposal of mass consumption. In other words, it must be upheld that social contributions, now based on salary, will have to be increasingly based on production.

Mr. Speaker, that means that social contributions will no longer have to be based on salary, but rather on production.

And as soon as the Canadian government, whether it is a Liberal, a Conservative, a Social Credit or any other government, agrees that the income of the individual must be based on production, then our friends on the other side will stop laughing at our idea of a national dividend to all and everyone.

The same remarks apply to our friends to the right who, also, will stop laughing at Social Credit proposals to the effect that the means to attract industry is to expand industry in Canada through the establishment of supplementary buying power in the hands of the consumers.

We suggest the vital minimum to be guaranteed to all and everyone, inasmuch as the national production can permit, and it does. There is not one single hon. member who questions the huge possibilities which we have in Canada to guarantee to all and everyone a vital minimum. Such is, in my opinion, the greatest contribution a government could make to the administration of public affairs in its own country. At the same time, it would be an example to give other countries facing the most abject poverty and which are unable to develop. Why? Because they do not have the financial means to do so.

Mr. Speaker, I believe—

[*Text*]

**Mr. Nasserden:** The remarks of the hon. gentleman are very interesting but they certainly do not relate to the measure now before us.

**Mr. Caouette:** I am sorry, but I think all my remarks are pertinent to the bill we are discussing.

[*Translation*]

Mr. Speaker, Bill C-105 is a measure to further the development of manpower, but we must have the possibility of employing that further developed manpower, and that is just what we do not have.

Now, in closing, I submit that Social Credit does propose an acceptable solution, with all due respect to the economists who are going around the province of Quebec shouting that we are rousing people up, just like my friend from Lotbiniere (Mr. Choquette), who says Social Creditistes in Quebec are demagogues.

Mr. Speaker, it is not a queston of demagogy. It is the livelihood of the people of our country that is at stake. We are not proposing impossible things, no, but we want Bill C-105 to be of some use.

However, we cannot see how this bill will help solve the problems facing us in this house and which faced those who were here before us ten and 15 years ago. Even during the depression years of 1929 to 1939, those same problems were already with us.

Today, we are faced with the problem of having an immense surplus production together with the material impossibility for Canadian consumers to buy those products.

Mr. Speaker, I maintain that the present government is in a position to introduce a bill which would put finance at the service of the Canadian people, which, instead of providing for an opportunity to get an education, an opportunity we already have, would help solve another problem, that created by the men of 40 to 45 years of age who do not have the required knowledge today to follow secondary school courses. They might have the aptitudes required, but not the required knowledge. That is another problem. And we are faced with that problem at the present time: men of over 45 who can no longer find a job in Canada.

Mr. Speaker, let the government come forward with a definite measure which would concern each and every one in Canada and would, at last, put finance at the service of the Canadian people.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I have just a few remarks to make. We, on this side of the house, are ready to adopt the bill this evening, before ten o'clock.

However, I should hope that at the coming federal-provincial conference, the federal government would leave the provinces free to accept or refuse the joint programs. If a province does not wish to sign an agreement on a joint program, it should be given, and without conditions, the funds it will need to administer its own program.

I will now show why it would be logical to do so. For instance, the province of Quebec has nearly 15 training centres and the federal legislation does not take into account those institutions which can be found only in the province of Quebec.

I protest against the statements made this afternoon by the hon. member for Port Arthur (Mr. Fisher). I feel that education comes under the exclusive jurisdiction of the provinces, which must take their responsibilities in that respect. The federal government should not interfere in that field.

I have here a volume of the report submitted by the royal commission on constitutional problems. A few years ago, an inquiry was held which gave all the Quebec organizations an opportunity to express their views and their wishes. Mr. Speaker, I should like to refer to pages 288 and 289 of volume 2, book 3, of 1956:

The province of Quebec and the federal grants

This scrupulous adherence to the principle of federalism has been clearly obvious and has imposed heavy sacrifices in the field of taxation, especially as regards the question of grants, which is the main issue in the controversy between the federal government and the provinces.

Like the other provinces, the province of Quebec accepts the statutory grants provided for in the constitution. It even went as far as to ask, in 1887 and in 1907, that they be reviewed. Those grants were established to compensate for taxes which the provinces were compelled to surrender: without such a surrender, confederation would not have been possible. It should not be wondered therefore that the provinces seek from time to time to have this compensation adjusted according to the rights yielded, as their extent is being revealed. There is nothing in this contrary to the confederation act of 1867.

The same does not apply to conditional and fiscal grants which the federal government has made, especially in the last 20 years, one of the instruments of its constitutional policy. Fiscal grants are paid by way of compensation for taxes the surrender of which by the provinces is in no way essential to the stability of the state. In fact, it is the very opposite that is true: as long as the federal system is not abolished, the proper operation of the state requires that the provinces keep taxation powers proportionate to the extent of their constitutional obligations. The province of Quebec preferred to do without substantial revenues rather than agree to a system of grants involving a lessening of its autonomy and a surrender of its prerogatives.

Listen closely to this, Mr. Speaker:

If the province agreed at times to the payment of conditional grants, as in the case of technical training and old age pensions (1st stage), it is due to the false position in which the interference of the federal government in fields outside of its jurisdiction unavoidably place the provinces.

By refusing federal grants as it did in various circumstances, the province of Quebec not only deprives itself of amounts that are being made available to it but contributes, through federal taxes, to the amounts taken advantage of by the other provinces which are less concerned about federalist loyalty.

In short, and this is the major point to remember in these history pages, in taxation as in all other constitutional matters, Quebec's stand has never changed: it abides by the interpretation according to the spirit of federalism of the agreement concluded in 1867.

Well, Mr. Speaker, I think that if after so many years, we still have to contend with difficulties arising from the federal government, it is especially on account of its joint plans which, by the way, are quite satisfactory to the nine English provinces—I do not blame them, it is their business—but the province of Quebec is not interested, and as long as the federal government will not find a solution to save the province of Quebec from joint plans, I maintain that confederation, in my opinion, will be jeopardized.

That is why I am asking the federal government and the provinces at the next federal-provincial conference to find the necessary means to provide a final solution.

As I said earlier, if the English speaking provinces wish to enter into joint plans, it is their business; but if the province of Quebec does not want to do so, then, the funds owing to Quebec should be handed back unconditionally.

Mr. Speaker, incidentally, I again read in newspapers, a statement made by the Quebec government and the federation of municipalities blaming the federal government for violating provincial autonomy with respect to municipal loans.

In addition, I listened Sunday night, that is last night, to a press conference given by the President of the Privy Council (Mr. Lamontagne) who was being questioned by newspapermen.

**Some hon. Members:** Oh, oh.

**Mr. Pigeon:** Mr. Speaker, such a reaction on the part of hon. members opposite indicates, I believe, that many members on government benches have not listened to the hon. President of the Privy Council.

**An hon. Member:** He was very good.

**Mr. Pigeon:** He had quite a time answering questions. His answers were rather shifty and contradictory, and I shall prove it.

**An hon. Member:** Very well, prove it.

**Mr. Pigeon:** Mr. Speaker, I wish to refer to the summary of the press conference given by the President of the Privy Council, which was published in today's issue of *La Presse*. Briefly here is what the President of the Privy Council had to say about the forthcoming federal-provincial conference and the federal government's policy:

Ottawa will abolish some joint programs but it will create others.

In my opinion, Mr. Speaker, that is an inconsistent policy. I feel that, if the federal

government wants, as stated by the President of the Privy Council, to venture into other joint programs, it will assume that responsibility and will be hearing more bitter criticism from the Quebec ministers and the elite of that province, protesting that new intrusion by the federal government in a field of provincial jurisdiction, that of Quebec in particular.

I hope, Mr. Speaker, that the federal government, in co-operation with the provinces, might open a new period of liberation through the forthcoming federal-provincial conference.

**An hon. Member:** It has already started.

**Mr. Pigeon:** And not only begin to give options with regard to joint programs, but also answer not only Mr. Lesage's ultimatum but that of other provinces. Mr. Lesage asked for $200 million to meet the needs of the province of Quebec in the cultural, educational, economic and social fields but the other provinces should also be able to receive the money they need, and each should get its relative share in order to be able to grow within confederation.

In my opinion, it is by decentralizing and giving back to the provinces the power to levy their own taxes that Canada will grow stronger, more united and greater.

**Mr. Côté (Longueuil):** Would the hon. member for Joliette-L'Assomption-Montcalm allow me another question?

**Mr. Pigeon:** About Mr. Pierre Laporte? With pleasure, because he blames the federal government—

**Mr. Côté (Longueuil):** Would the hon. member allow me to put my question?

**Mr. Deschatelets:** Go ahead.

**Mr. Pigeon:** Mr. Speaker, if the hon. member wants to make a speech, it will give me great pleasure to listen to him because he has been very silent in this house since his election.

**Mr. Deputy Speaker:** Order. The hon. member for Joliette-L'Assomption-Montcalm will recognize that his comments are not in order.

**Mr. Pigeon:** Let the hon. member for Longueuil make a speech.

**Mr. Deputy Speaker:** Order. The hon. member for Portneuf.

**Mr. Jean-Louis Frenette (Portneuf):** Mr. Speaker, there are times when it is really interesting to take part in debates and today's discussion seems doubly interesting, because it proves once more that everyone agrees on the seriousness of the unemployment problem.

Here, I should like to refer to an address delivered by the Minister of Labour (Mr. MacEachen) in this house on June 10. I think we all agree with what he said. I quote:

> The government is convinced that we cannot continue to tolerate the excessively high levels of unemployment of recent years. Over the past five years, unemployment has averaged 6.6 per cent of the labour force.

And he went on:

> The stimulation of employment and the reduction of unemployment are major problems which the government is determined to tackle vigorously.

We must recognize, Mr. Speaker, that in the last few weeks, the government has launched a very unusual effort to find a solution to that especially thorny matter.

And the minister went on:

> It is now widely recognized that the growth of our economy and the stimulation of employment are greatly facilitated by the improvement of the quality and skills of youth entering the labour force and by the adaptation of workers to constantly changing job requirements. The need for adaptation and retraining of our labour force is a consequence of a much stepped up rate of technological change in recent years.

In fact, Mr. Speaker, Bill C-105, dealing with training of workers, technical and vocational training, should prompt us to give more consideration to the unemployment problem.

Of course, like everybody else, we realize we are faced with a problem due to a large degree to automation which is constantly spreading and takes jobs away from our workers. Consequently, that is one of the causes of unemployment.

There are also the demands of industry for a more skilled and more specialized labour.

I think that the bill which is really aimed at the training of that manpower, comes at an opportune time and will allow people who are affected by almost chronic unemployment to train for new jobs which will meet the needs of industry.

Past results were good in nine Canadian provinces; I make one exception: the province of Quebec. Great numbers of workers were trained and given new jobs, thanks to the training received in special training schools. Everywhere in Canada schools were erected and they have certainly become an asset for those provinces.

The fact is that a delicate problem remains, that of the province of Quebec. I shall not labour the point further because other speakers have talked about it eloquently enough so as to make the Minister of Labour and members of the cabinet realize that our situation is not similar to that of the other provinces, that we are a separate province. And, as the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) pointed out so well, the fact remains that Quebec, on

account of the terms of the legislation, did not enjoy fully its benefits. Special arrangements ought to be taken so that Quebec workers may enjoy the benefits of the legislation.

I readily understand, Mr. Speaker, that it is difficult, at a given moment, to legislate in order to meet the needs of Canadians from coast to coast, the needs of a country made up of two different nations. But I think that we should not forget the fact that we have rights and privileges, and that we want to keep them.

Mr. Speaker, I would like also to take advantage of these few minutes to make suggestions to the Minister of Labour with regard to the training of technical labour. In my opinion, the Minister of Labour would benefit greatly from further consultation with the labour organizations of the country in order to receive from them appropriate suggestions with regard to labour problems and, in particular that which we are dealing with at this time, that is, technical and vocational training.

It seems that there is an increasing tendency towards centralization, in short greater importance is given to the central government. But I think that if this government really wants to assume its responsibilities and attain its objectives it must necessarily call upon these in-between bodies that are labour organizations and movements.

Mr. Speaker, it is an undeniable fact that we must gather up all our energies in order to find a solution to the unemployment problem. Workers' training, of course, is one of the solutions—but not the only one—which is before us tonight. In my opinion, the special committee established by the Senate, to inquire into the matter of manpower and employment, prompts us precisely to work in that direction. If I may, I shall quote one of the findings of that committee. Here it is:

> Unskilled labour made up a greater proportion of the total monthly registration in metropolitan districts and large industrial areas with a labour surplus, than in the two other kinds of surplus areas in the labour market.

Obviously, the members of that committee found that in the communities where workers are unskilled, unemployment is higher and more acute. We should therefore pool all our resources to train qualified labour, which will not only answer the needs of industry to the greater benefit of industrial enterprise, but will also be of advantage to the working class and, consequently, the whole Canadian people.

[*Text*]

**Mr. Deputy Speaker:** I remind the house that the minister will now close the debate.

[Mr. Frenette.]

**Hon. A. J. MacEachen (Minister of Labour):** In beginning my brief remarks at this stage of the proceedings on this bill, I wish to thank all hon. members for their contributions to this debate. I want to say a special word of thanks to my fellow Nova Scotian, the hon. member for Cumberland (Mr. Coates), for his kind remarks as he began his speech this afternoon.

The debate has ranged over a very wide field, in so far as any of the suggestions that have been made relate to technical and vocational training, they will be given the fullest possible consideration by the Department of Labour. As hon. members will realize, the general framework for the national system of technical and vocational training is set forth in the act respecting technical and vocational training assistance. The act as a whole is not before us. We have before us an amending bill, confined to a number of specific items in the act itself. There are five of these items.

One amendment increases the federal contribution of living allowances paid by a province to unemployed persons receiving training, from 75 per cent to 90 per cent. This increases that portion of the federal contribution for this phase of the training program to 90 per cent, or an increase of 15 per cent.

In addition to that we propose by another amendment to increase the contribution made by the federal government to costs incurred by provinces in training programs in industry, from 50 per cent to 75 per cent. Hon. members will appreciate that relatively little progress has been made in this important field of training in industry. For that reason we expect to give this phase of technical and vocational training a greater impetus by increasing the percentage assistance from 50 per cent to 75 per cent.

It might be of interest to hon. members to know that this particular phase of the program will extend to training programs in industry covering apprenticeship training, the problem which engaged the attention of the hon. member for Peterborough (Mr. Stenson). This will apply to basic educational development, to programs in industry providing basic education to employees, to place them in a position to acquire skill in advanced jobs or advanced technology.

The third phase of this training program in industry is to provide assistance for training to meet prospective automation. Even though the hon. member for Villeneuve (Mr. Caouette) dealt with automation in his speech, he did not relate his comments to this provision of the amending bill, which will allow employers to collaborate with the provinces, with federal assistance, to accelerate training in industry for employees whose skills may

become obsolete as a result of automation and who, if there is a response to this program, can be placed in a position to acquire additional skills.

The third aspect of the amending bill is to extend the time period for the additional 25 per cent for the provision of capital facilities for technical and vocatonal training. There is no doubt that a great expansion in training facilities has taken place under this program. On Tuesday of last week I assisted at the opening of a new college of trades and technology at St. John's, Newfoundland, a splendid institution that will have a great impact on the economy of that province. I want to tell the hon. member for Ontario (Mr. Starr) that on that occasion the premier of Newfoundland expressed publicly his appreciation of the work and co-operation he had received from the hon. member for Ontario during his period as minister of labour.

**Mr. Nowlan:** You built more schools for him, Mike, than he ever built himself.

**Mr. MacEachen:** As I say, the premier took that opportunity to express the appreciation of the government of Newfoundland to the hon. member for Ontario, whose efforts in this field have not gone unrecognized, at least in that province of Canada.

The purpose of this particular amendment, as hon. members will know, is to permit all provinces of Canada to participate to the maximum achieved up until March 31 of this year by the province of Newfoundland. The per capita contribution of the federal government in the age group 15 to 19 years reached $480 for the province of Newfoundland. This amendment will allow all provinces to achieve that maximum up until the expiry of the agreement in 1967.

For example, it will permit the province of Quebec, whose per capita quota is $51, to participate to the extent of $480 per capita in that age group. This amendment is of particular importance to the province of Quebec where many additional millions of dollars will be made available for the expansion of training facilities. The same is true to a lesser extent for all other provinces, except the province of Newfoundland.

The additional two amendments are to increase the numbers on the advisory council to permit greater participation by employer and union groups, and finally to provide an honorarium for the chairman.

The increased rate of assistance for training, especially training the unemployed, and for training programs in industry, underlines the urgent priority the government attaches to these aspects of the Canadian system of technical and vocational training. We certainly support the priority of these aspects of the program which was attached to them by the hon. member for Port Arthur (Mr. Fisher), who was concerned that our training program ought to be directed towards providing skills and training for jobs.

In his speech the hon. member for Port Arthur—and I may say his speech was very interesting to me—regarded the emphasis placed on the expansion of secondary school facilities as at the expense, in his view, of technical and trades schools. It may be that varying emphasis has been placed on secondary schools in particular provinces, but in general the approach has been balanced, and there has been a balanced program of expansion in secondary schools and in technical and trade schools.

It ought to be pointed out, of course, that the federal government participates in the secondary school program in order to support exclusively technical and vocational education and that aspect of the secondary school program which the federal government supports, namely technical and vocational education, enables students to enter the labour market more easily, and later to take more specialized training for employment. So, it is very wrong to suggest that an emphasis on secondary and vocational training is not job directed. It most certainly is.

I realize that this problem of technical and vocational training is a complex one. It might have been possible to have a general debate on the subject if the amending bill provided the opportunity. However, it does not. All I want to say in conclusion is that the national system of technical and vocational training is set out in the principal measure, the Technical and Vocational Training Assistance Act. It enables the federal government to enter into agreements with provincial governments to make substantial contributions to all aspects of technical and vocational training. There are ten aspects of technical and vocational training for which authority exists for the Minister of Labour to enter into agreements with the provinces. The emphasis given by any province to any particular program for which assistance is available is entirely up to the province itself. If any particular province has placed an emphasis on technical and vocational training at the secondary school level, that is a result of a decision by that province exercising its constitutional responsibility in that field.

The federal government has attempted to indicate its own estimate of priorities by the particular range and rates of contributions it has assigned under these various programs. Because we have attached urgent priority to the training of the unemployed and to training in industry we are proposing to increase the

rates of contribution from the federal treasury in this field. I make these remarks in commentary on the plea that was made by the hon. member for Port Arthur (Mr. Fisher) for a national policy of technical and vocational training. The national framework is provided for in this act; the response is up to the province, exercising its own authority. In this field the federal government proposes; the provincial government disposes.

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

**Some hon. Members:** Question.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1.

**Mr. Herridge:** Mr. Chairman, I do not want to delay the passage of this legislation for more than a moment or two, but I wish to ask the minister this question. Can he inform the committee whether any of the provinces are using this legislation to train forest rangers, road locators, timber cruisers, lumber graders, first aid men, fire prevention crews, and cooks?

**Mr. Pennell:** Mr. Chairman, I know that I shall best suit the inclination of the minister, the committee and myself if I offer my observations in the fewest and simplest words. It seems to me that on this question of training the unemployed there is a gap in the statistical information available to the department which is depriving the department of the full benefits of the legislation.

I placed upon the order paper at the close of the last parliament certain questions, and these were the answers I received. I noted, first of all, in the year 1961, that 38 per cent of the unemployed who had enlisted for training had failed to complete the course. It was encouraging to note that in 1962 the percentage of those who had failed to complete the course had been reduced to approximately 23 per cent. I was greatly concerned to learn the reason for there having been this high number of failures to complete the course. At this time the answer I received was, "Information not available". It is my respectful submission, Mr. Chairman, that this information is vital and necessary if we are to get the full benefit of this program.

When I asked for the number of unemployed who had finished the course and who had been able to secure jobs using the skills for which they had been trained, again I received the very disturbing answer, "Information not available". It is my further respectful submission that there could be no greater waste of public funds than to train workers in skills for which there were no employment opportunities. This is friendly criticism, I may say to the hon. member for Ontario, because I will be the first to admit that the impact of automation has come so rapidly that it is impossible to keep abreast of it, and I can certainly appreciate the difficulty that was confronting him in the early stages of this most admirable legislation; but my plea to the minister is this: we must have more statistical information if we are to apply this course of training so that the workers may get the most out of it. In other words, it is my submission that the expenditure of public funds should be geared to the information we are obtaining in these reports. With those very few words, Mr. Chairman, I will resume my seat.

[*Translation*]

**Mr. Beaule:** Mr. Chairman, the legislation now before us, to amend the technical and vocational training act, is contrary to the educational system prevailing in Quebec.

I am, therefore, taking this opportunity to bring Quebec's claims to the minister's attention and explain the difference between the educational system in that province with regard to technical and vocational training compared with the other parts of Canada.

Mr. Chairman, among the main problems which labour circles are concerned with, unemployment in every form and job insecurity come first. To those problems may he added those created by automation, the training of our young people for work and the rehabilitation of the older workers who have been discharged as the result of new and advanced techniques.

It is currently said that this country and our province have known radical changes since the turn of the century, and that our economy, which was formerly centred on agriculture, has now become industrialized.

Within a few years, and more particularly following the economic development required by the war effort, and by developing the resource above and under ground, our country has become an industrial giant.

Amongst the chief problems we have to contend with in regard to automation, the primary one, in my opinion, is education, primary, secondary or university education as well as vocational training and adjustment. Everyone is aware that automation will require more engineers, more physicians, more mathematicians, more skilled machinists, more technicians of all sorts. It is certain that foremen will have to acquire more competence and that there will be new vocational qualifications required for the maintenance and repair trades. It is already a well-known fact

that our young people will be not be able to start their apprenticeship before having completed secondary education.

On the other hand, experience proves that the majority of teachers never worked in industry and that consequently they can hardly prepare young people to properly hold positions in industry. We are of the opinion that their academic level often leaves much to be desired, which is readily realized if one reads briefs submitted by teaching people. Hence teachers must have a better preparation and consequently it is extremely urgent to set up normal schools for technical training instructors, in order to emphasize quality as well as train a large enough teaching staff. Before being admitted to teach, teachers should spend two or three years in industry and should even be eligible for leave with pay to readjust themselves.

The training available at present in technical schools and technological institutes is complementary to primary and high school courses and is directly related to them through its academic requirements. Theoretical programs are devised so as to make pupils understand the whys and wherefores of everything, to instil principles and to give information. Practical courses are intended to make pupils understand the theoretical notions acquired in theory classes.

The so-called specialized training, at the outset, was devised to come to the rescue of young people who were leaving school prematurely for various reasons. Thus, Mr. Jean Delorme, the director of specialized training, could say that he had achieved his purpose when he had succeeded in securing for technical school students the equivalent of a ninth grade certificate.

The publicity given specialized training reveals, however, that such training is aimed at supplying "well trained operators", by technological schools, according to the leaflet on "specialized training" published under the signature of its general manager.

Having become what is called nowadays a technician, that is a graduate of a technological institute, is a starting point and not the ultimate end. According to the trade, it is only after a few years of post-graduate studies and practical experience supplied and gained in industry that the young man, after having tested his qualifications, will validly be able to consider himself a tradesman or a technician.

Too often, the public fancies that graduates who just completed their studies are experts in their specialties, that they can be full-fledged employees in their own right in industry and that they can give the same output as if they already had a few years' experience.

Everyone knows that it is not so and that it will never be so, no matter how much the programs of the technological institutes are changed. Vocational training cannot be the exclusive responsibility of educational institutions. In fact, the latter can only provide basic training, since industry is the cornerstone of the whole system.

It follows that theoretical training is only a prerequisite to holding a job in a plant or on the site. It is on the job that one serves the apprenticeship that will permit one to become fully qualified in a particular trade.

In other words, theoretical training is nothing but an introduction to the apprenticeship which must be provided later, at the place of work, by the employer or the union.

Mr. Chairman, I should like to remind you that it is to apprenticeship that we owe the finest achievements both here and elsewhere: government buildings, bridges, dams, and numerous residential, industrial and business constructions which were carried out only through the efforts of a variety of trades and techniques.

Those men acquired their technical skill by serving their apprenticeship under skilled workers.

However, in view of the technical developments and the urgency of maximum production to meet competition, this formula has to be adapted constantly under conditions which are often difficult. That is why, at a certain moment, industry had to change its methods of production and go in for fractional production, chain production and exaggerated specialization with consequent loss of its traditional importance by apprenticeship.

In spite of everything, apprenticeship still has many advantages, namely a greater flexibility in adjusting to industrial needs and trade requirements. It provides an important part of sound learning by compelling the apprentice to live in the trade environment and working community in the factory, in the field or in the shop. As a result of the necessary physical and muscular effort, he acquires automatic movements required for the quick and sure performance of specialized work. It remains an important and reliable stage in the training of professional workers.

What is exactly a workshop school or a field school? Its purpose is to combine the practical training deemed essential to the practice of a trade and the theoretical instruction recognized as necessary to a full vocational training; to combine methods of teaching in order to make skilled workers better acquainted with the latest technical developments, thus enabling them to become genuine modern technicians; finally, to co-ordinate methods permitting and promoting in the

working environment theoretical instruction in keeping with the cultural needs of the workers.

Some industries try to bring about this co-ordination according to their needs and to the requirements of their output. They admit that without an active participation of industries to the setting up of true vocational training, it will be impossible to achieve worth-while results. In addition, as vocational training can only be developed in definite working conditions, it also implies the enlightened participation of unions.

Mr. Chairman, there is in Quebec the apprenticeship commission for vocational training. The immediate purpose of this legislation is to promote apprenticeship by the creation of commissions and vocational centres, through the co-operation of industrial and vocational groups and public authorities.

In our province, the expression "apprenticeship centre" generally refers to vocational training establishments directly under apprenticeship commissions.

The apprenticeship commission studies, develops and amends, as necessary, the theoretical and practical programs of each trade submitted by trade consulting committees and see that these programs are carried out.

The results of our apprenticeship system: in the industries, trades and crafts subject to an apprenticeship system, there was 30,727 apprentices divided among the following crafts, industries or services: barbers, hairdressers, commercial establishments, building industry, manufacturing industries, other industries and services.

Since training boards have been set up, the day and evening courses they provide have been taken by 48,521 apprentices and journeymen, as follows: automobile, 2,394; barbers and hairdressers, 4,620; construction, 31,484; footwear, 5,616; watchmaking, 175; printing, 4,232. Thus we see the important role played by the training boards which have been set up in the province of Quebec since the passage of the training assistance act in 1945.

Mr. Chairman, may I call it ten o'clock?

[*Text*]

**Mr. Starr:** Mr. Chairman, I wonder whether, instead of calling it ten o'clock, we could carry on and try to expedite the passage of this bill.

**Mr. Knowles:** Mr. Chairman, we would offer the suggestion that we sit by unanimous consent either until we finish the bill or until 10.15, whichever comes first.

**The Chairman:** Is that agreed?

**Some hon. Members:** Agreed.

[Mr. Beaule.]

[*Translation*]

**Mr. Beaule:** Mr. Chairman, we must therefore:

1. Recognize the need to establish a school system which would provide vocational courses in accordance with the various levels of training required by the different occupations in each economic sector;

2. Adapt those courses to the calibre of training required at each level in order to give to the young people an opportunity to acquire a basic vocational training in keeping with their aptitudes, and to the workers an opportunity to improve their skill while practising their trade;

3. Recognize that what is taught in vocational schools is but a prelude to the training to be received in industry. Considered as the extension of formal schooling, on-the-job training should be able to meet the requirements of practical training for all categories of specialized workers.

4. In view of the fact that the period of industrial training must include, for the young trainee, a reasonable guarantee of progress and adaptation, working conditions must always be regulated by collective contracts. Through such regulation, technical training is put to good use and, consequently, is put into effect to benefit the trainee.

5. Training boards are just the right organizations to ensure that young trainees in technical schools will get the practical training needed in industry and to watch each individual's progress until he has acquired professional qualifications. By their registration, employment and control services and also by their qualifying examinations, they can well be considered as indispensable agencies to operate the transfer of the graduates from the vocational schools to the various industries they have chosen.

6. The creation of an agency responsible for vocational education should not result in the establishment of government schools only. We should be able to take advantage of a system of various institutions supported by a variety of initiatives. Apprenticeship centres should continue to operate in accordance with their own character.

Mr. Speaker, I should like to move an amendment to clause 2.

[*Text*]

Clause agreed to.

On clause 2.

**Mr. Starr:** This clause has to do with the raising of the federal government contribution from 50 per cent to 75 per cent. The assistance is being extended until March 31, 1967. I wonder if the minister could tell us from what date it will take effect.

**Mr. MacEachen:** From March 31, 1963.

**Mr. Starr:** In other words, it will be retroactive.

**Mr. Herridge:** Has the minister any information on the question I asked with regard to possible overlapping?

**Mr. Byrne:** All the categories the hon. member mentioned with respect to forestry are covered in the legislation. There are five provinces which participate at the rate of 50 per cent—New Brunswick, Ontario, Quebec, British Columbia and Alberta.

[*Translation*]

**Mr. Beaule:** Mr. Chairman, since technical and vocational training means any form of teaching which prepares a person to hold a profitable job in primary or secondary industry or which enables him to get a better salary in the service industry, I should like to move the addition of the following paragraph (d) to section 2:

That, after having obtained the authorization of the provincial government, the government be empowered to sign with the representatives of private technical and vocational schools which are recognized and subsidized by the provincial governments and which give vocational training, agreements similar to those which were concluded with the department of education.

**The Chairman:** It is moved by Mr. Beaule, seconded by Mr. Gauthier:

That the government be authorized to enter into agreements similar to those entered into with the department of education with representatives of private establishments of vocational and technical training which are recognized and subsidized by provincial governments and which provide technical training and this, after having obtained the approval of provincial governments.

**Mr. Caron:** Such agreements with private establishments are unacceptable.

[*Text*]

**The Chairman:** If there is no objection taken to the regularity of the amendment I will put it to the committee now.

**Mr. MacEachen:** I will not argue as to the regularity of the amendment, which proposes to permit the federal government to make agreements with private institutions. It seems to me this measure can reach into the activities of private institutions in any province through agreements which the Minister of Labour and the federal government might make with the provinces themselves. In this way we are respecting the integrity of the provinces by making the agreements directly with them. I am afraid the amendment cannot be accepted.

**Mr. Herridge:** I think the amendment is an excellent one but I cannot resist saying that in my opinion this afterthought type legislation shows lack of forethought.

**Mr. Nowlan:** It is after ten o'clock, too.

Amendment negatived: Yeas, 5; nays, 60.

**Mr. Herridge:** Before the clause carries, I wish to withdraw my previous remarks. I misunderstood the terms of the amendment. My French is very poor.

Clause agreed to.

On clause 3—*Council established.*

**Mr. Starr:** This clause envisages the addition of five members to the existing advisory council. Can the minister tell the committee what areas of our population are expected to be represented by the additional five members?

**An hon. Member:** The Liberal area.

**Mr. Nowlan:** That is the truest thing you have said this session.

**Mr. MacEachen:** The purpose is to increase the representation from employees, unions and employers. Those are the principal areas.

**Mr. Dinsdale:** I have with some reluctance refrained from making a major speech on this bill but I should like to ask one question on this final clause. We all know that the problem in vocational education is, as in other areas of the education field, the lack of coordination. This is a situation which arises to a great extent because our educational system is such as to foster individuality within the provinces. I wonder how far this council will go in developing a national perspective or a philosophy of education which meets the needs of our rapidly changing situation?

Clause agreed to.

Title agreed to.

Bill reported.

**Mr. Deputy Speaker:** When shall this bill be read the third time? Now?

**Some hon. Members:** By leave.

**Mr. MacEachen** moved the third reading of the bill.

Motion agreed to, and bill read the third time and passed.

## BUSINESS OF THE HOUSE

**Mr. Nowlan:** Mr. Speaker, I wonder whether the acting house leader would indicate what the business of the house will be for tomorrow and as far as he can go after tomorrow.

**Mr. MacNaught:** The business of the house tomorrow will be as I outlined on Friday night, with the exception that the latter items

mentioned may not necessarily be in the order I outlined them on on Friday. As far as Wednesday is concerned, I regret I cannot say anything at this time.

**Mr. Nowlan:** But the next order of business will be as outlined by the acting house leader on Friday night?

**Mr. MacNaught:** That is right.

**Mr. Pigeon:** Excuse me, I asked a question of the minister—

**Some hon. Members:** No.

It being fourteen minutes after ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Tuesday, November 19, 1963**

The house met at 2.30 p.m.

## TRADE

WHEAT—TABLING OF AGREEMENT WITH CZECHOSLOVAKIA

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I beg leave to table two copies in English and in French of the long term wheat agreement between Canada and the Czechoslovak Socialist Republic signed at Ottawa on October 29, 1963.

## EXTERNAL AFFAIRS

RUSSIA—REPRESENTATIONS RESPECTING PERSECUTION OF JEWS

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 right hon. Prime Minister in connection with representations made by the Jewish labour committee of Canada and the Canadian Labour Congress regarding shocking treatment of three million Soviet Jews who have been subjected to increasing discrimination and persecution. Have any representations been made to the government in this connection, and has the Prime Minister or Secretary of State for External Affairs brought to the attention of the Soviet ambassador a situation that is becoming more difficult and trying with the passing months?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, it is my recollection, although I would like to check on the matter, that representations have been received along the lines indicated by my right hon. friend and that a reply has been made to those representations, but I will be glad to look into the matter and give the reply, if any, tomorrow.

**Mr. Diefenbaker:** At the same time can the Prime Minister say whether any representations have been made to the Soviet embassy in this connection?

**Mr. Pearson:** I will be glad to look into that too.

**Mr. Stanley Knowles (Winnipeg North Centre):** As a supplementary question, Mr. Speaker, is the Prime Minister aware of the fact that representatives of the Jewish labour committee and the Canadian Labour Congress are seeing the Soviet ambassador at three o'clock this afternoon?

**Mr. Pearson:** No, I did not know that.

CUBA—DETAILS OF CHARGES AGAINST ARRESTED CANADIAN CITIZENS

On the orders of the day:

**Right Hon. L. B. Pearson (Prime Minister):** While I am on my feet may I reply to a question asked yesterday by the hon. member for Oxford. I said the text of the formal charges to be laid against the two Canadians under arrest in Cuba would be received yesterday afternoon. It has now been received by the embassy in Havana and has been transmitted to the Department of External Affairs. I may say that in a general way the two men are charged with smuggling explosives into Cuba and committing other acts described as constituting crimes against the integrity and stability of the nation. The date of the trial, after a postponement at our request, has been set for Saturday, November 23.

**Mr. W. B. Nesbitt (Oxford):** Could the Prime Minister tell us the maximum sentence which might be imposed on these men if they were found guilty?

**Mr. Pearson:** I should like to look into that and make sure I give the hon. member a correct answer.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Is the government making sure that these men will be adequately represented by counsel?

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** That was the question I myself asked the other day. I was about to ask, now, whether any consideration beyond that mentioned the other day would be given so that Canadian counsel might be available. Would the Prime Minister say also whether there is any charge against these men of conspiracy with the nationals of any other country in an attempt to bring about the overturn of the government in Cuba?

**Mr. Pearson:** With regard to the legal protection of these men I can add nothing at the moment to what was said the other day, but I will try to make inquiries to see whether there is any further information which could be given tomorrow. As to the details of the charge, I am not in a position at this moment

to go beyond what I have said this afternoon. The information obtained here was received over the telephone, and I should like to await a written report before I say anything more.

**Mr. Diefenbaker:** Does the right hon. gentleman know whether the trials will be in public or whether they will be behind closed doors?

**Mr. Pearson:** I do not, but I should be glad to look into that point.

NATO—U.S. REPRESENTATIONS RESPECTING TRADE WITH COMMUNIST COUNTRIES

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 Trade and Commerce. Can he tell the house what the reaction of Canada is to the representations being made by Mr. Ball on behalf of the United States that western countries should not deal with communist countries except on the basis of a general agreement having been arrived at, and in particular whether Mr. Ball has taken a stand on behalf of the United States that the granting of credit is an improper course to take? Have those representations been made to the minister or to the government through NATO? If so, what was the Canadian reaction?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** No such representations have been made to me as Minister of Trade and Commerce, and I am not aware that they have been made to any of my colleagues. If they were made we would, of course, give them due consideration. Since this is a hypothetical question I do not think I can give any more by way of answer to the right hon. gentleman at the moment. I understand, of course, from the newspapers that these representations have been made to other countries. Since we have not yet had an opportunity of considering this question, this is the only answer I can give.

**Mr. Diefenbaker:** Then I should like to ask the Prime Minister whether the United States under secretary of state, George Ball, brought before the members of the NATO organization the need of a general agreement amongst the NATO nations on the subject of trade with the communist bloc. Have such representations been brought to the attention of the Canadian government?

**Right Hon. L. B. Pearson (Prime Minister):** They may have been received by the Canadian representative at the O.E.C.D. meeting, along with other representatives, but we have not had a report from our representative yet on this subject. I will make inquiries to see if one is coming.

**Mr. Diefenbaker:** Will the minister inquire at the same time whether the press references to the fact that this was brought to the attention of NATO countries is correct, and that there was a strong objection thereto by Britain and France?

**Mr. T. C. Douglas (Burnaby-Coquitlam):** May I ask a supplementary question. The press report of the NATO ministers' conference suggested that Great Britain had rejected the United States suggestion to put a five year limit on credits to the Soviet union, and that only Norway and Denmark had supported Great Britain in this regard. I wonder if the Prime Minister would look into the matter to see if it is true that Canada did not support Britain in rejecting this proposal.

**Mr. Pearson:** I have already seen those press reports, and as a result we have made inquiries of our representative in Paris. It is his report I am awaiting now.

WEST GERMANY—CANADIAN ACTION RESPECTING WAR CLAIMS

**Right Hon. L. B. Pearson (Prime Minister):** I should like to deal with a question, as usual of national and international significance, asked by the hon. member for Kootenay West on November 15 last dealing with the policy of the government of West Germany in meeting claims arising from nazi persecution.

Since 1952, Mr. Speaker, some 7,000 Canadians have received from the German war claims fund compensation for war losses under the nazi regime, including maltreatment, amounting to almost $9 million. In conformity with the usual international practice in such matters, only persons who were Canadian citizens at the time of loss were eligible under the war claims fund, which derived from liquidated German assets.

At the same time, the West German government in the post-war period has enacted a series of indemnification laws providing compensation for victims of the nazi regime. A number of persons who became Canadian citizens after the war and who were accordingly not eligible under the Canadian war claims fund have been successful in obtaining compensation under these West German indemnification laws. Further legislative measures extending and liberalizing the scope of payments to various categories of victims of nazi persecution are currently before the West German parliament. I can assure my hon. friend that the details of these new West German compensation measures, when enacted, will be available to any Canadians who may be interested.

## ARTS, LETTERS AND SCIENCES

ROYAL COMMISSION—REPORTED REMARK BY MEMBER FOR YORK EAST

On the orders of the day:

**Hon. Theogene Ricard (St. Hyacinthe-Bagot):** Mr. Speaker, may I direct a question to the Prime Minister. Was the hon. member for York East (Mr. Otto) expressing the views of the Liberal party on the purposes of the Laurendeau-Dunton commission when he said that one of its purposes was equivalent to that of apartheid in South Africa?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, without accepting the accuracy of the report, I may say the hon. member was speaking for himself at this meeting.

**Mr. Ricard:** As a supplementary question, is the right hon. Prime Minister going to take steps to discipline his member?

**Mr. Pearson:** Not, Mr. Speaker, on the basis of my hon. friend's question.

## INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO LOCATION

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Industry and ask him whether the government has received any recommendations from Atomic Energy of Canada Limited regarding the location of the heavy water plant which is in contemplation?

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, Atomic Energy of Canada Limited has considered some proposals made to it in respect of the provision of heavy water required by Atomic Energy of Canada over the next five years. The government is now considering those proposals and hopes to be able to announce the decision in a few days.

**Mr. Douglas:** As a supplementary question, will this include the matter of the location of the plant?

**Mr. Drury:** It is likely, Mr. Speaker, that the announcement will carry implicit within it an indication of the location.

## UNITED NATIONS

COMMONWEALTH SEAT ON SECURITY COUNCIL

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, but in his absence perhaps I could direct it to the right hon. Prime Minister. In view of the fact that conversations are now under way at the United Nations concerning the reallocation of the non-permanent seats on the security council, are steps being taken by the government to ensure the continuation of the commonwealth seat on that body so that Canada's future opportunities of election to the security council will be protected?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I would be glad to look into that matter in the absence of the Secretary of State for External Affairs, who is attending an O.E.C.D. meeting in Paris.

## NATIONAL DEFENCE

QUEBEC—REPORTED CLOSING OF CERTAIN RADAR STATIONS

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of National Defence.

Is it true that his department intends to close, in the near future, the radar station located at St. Sylvestre, in the county of Lotbiniere? If so, could the minister tell us the steps which have been or will be taken to provide work for the employees who will be laid off?

[*Text*]

**Hon. Paul Hellyer (Minister of National Defence):** As I have advised the house previously, Mr. Speaker, we have been studying our defence radar capabilities to determine whether any changes would be possible without reducing the effectiveness of the system. I expect we will have some conclusions in this regard shortly, and when we do I will be pleased to announce them in the house.

NATO—REPORTED INTENTION TO STOCKPILE CANADIAN WEAPONS AND EQUIPMENT

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question of national and international significance to the Minister of National Defence. My question is based on reports from an unofficial source of information and concerns the government's policy with respect to defence. In view of the fact that a Canadian Press report from Bonn states that Colonel Hans Joachim von Hopsgarten of the German army general staff informed our defence committee in Bonn that Canada will stockpile in Europe weapons and equipment for two reinforcing infantry brigades, and in view of the reported denial of the accuracy of this statement by a Canadian

government official, would the minister inform the house of the facts surrounding these two statements?

**An hon. Member:** Ask Max Ferguson.

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I can take no responsibility either for the statement of the German colonel or for any interpretation which might have been given to it in a C.B.C. program. I can say, however, that both the chief of the general staff and myself have referred to the question of stockpiling equipment in Europe. This suggestion has been made by the supreme allied commander, Europe at least every year for the past five or six years. As yet no decision has been reached.

NATO—REPORTED REMOVAL OF AIRCRAFT FROM MARVILLE BASE

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 National Defence. Is the minister aware that the aircraft which were stationed at Marville, France have been removed, and would he care to tell the house what will be the future use of the base at Marville?

**Hon. Paul Hellyer (Minister of National Defence):** Mr. Speaker, I am not aware that any aircraft which were stationed at Marville have been removed, unless the hon. member is referring to the old air defence interceptor squadrons. The plan as is well known to hon. members, is to station two squadrons of CF-104 aircraft at Marville, and there has been no change in that plan up to the present time.

**Mr. Crouse:** Would the minister tell the house when those new squadrons will be based at Marville?

**Mr. Hellyer:** I cannot give a definite answer but I understand all squadrons of CF-104 aircraft will be in place by some time early next year.

WEARING OF DEVICES TO MEASURE RADIOACTIVITY

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** I should like to direct a question to the Minister of National Defence. Is the report correct that employees of his department, in carrying out their duties, will be and are now required to wear dog tags?

**Hon. Paul Hellyer (Minister of National Defence):** I am sure my hon. friend is referring to the tags worn for the purpose of measuring radioactivity. If that is what he is referring to, he is correct.

[Mr. Herridge.]

## TRADE

BUTTER OIL—REPORTED REFUSAL OF OFFERS TO PURCHASE

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to ask the Minister of Agriculture why the federal government has rejected all bids to purchase 80 million pounds of stored butter oil and has returned cheques which offered 25½ cents a pound for this butter oil, as reported in the Montreal *Gazette* of this morning.

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, on October 8, 1963 the agricultural stabilization board offered butter oil for export to designated countries at 30 cents per pound. While no sales were made at this price, exporters expressed considerable interest in the product and certain counter proposals were received by the board. Because of this, the board notified all known interested parties that they should submit their best offers for the product. Firm offers with deposits were then received covering a relatively small percentage of the total amount available. In the opinion of the board these offers were not acceptable either from the standpoint of price or conditions of sale. The offers were accordingly rejected and the deposits were returned.

The board then offered the butter oil for export, once again to designated countries, at 27 cents per pound with certain provisions concerning a performance guarantee. This offer is still in effect, and the board has made sales and received commitments covering a substantial portion of the entire product.

POTATOES—STEPS TO PROVIDE EXPORT MARKETS

On the orders of the day:

**Hon. H. J. Flemming (Victoria-Carleton):** Mr. Speaker, I have a question for the Minister of Trade and Commerce. Has the minister received any advice concerning the surplus of potatoes existing in New Brunswick, and has he been requested to investigate all possible export markets with a view to assisting potato farmers in the disposal of this perishable commodity at the best possible prices?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, both my department and the Department of Agriculture have been aware of the situation. We have been doing everything possible to assist in the marketing of these surplus potatoes.

WHEAT—REPORTED DIFFICULTIES RESPECTING SALES TO RED CHINA

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, while I am on my

feet may I refer to a question asked yesterday by the hon. member for Cariboo. He directed his question to the Minister of Finance, and it related to a report which had appeared in several United States newspapers. He referred to one report which appeared in the Yonkers *Herald Statesman*; I have also seen copies of the same article appearing in other newspapers in the United States. It alleges that Canada's wheat sales to red China are turning sour. This article goes on to say that the Chinese are in arrears by $100 million, and so on.

This story is completely false, Mr. Speaker, and if I wished to characterize it I would say it is nothing short of creative fiction. The Chinese have paid all their obligations either on or before the scheduled due dates. The outstanding balance on September 9 of this year was nil. The outstanding balance at the present time is about $10 million, and they are not behind in any payments whatever.

REQUEST FOR STATEMENT RESPECTING FORTHCOMING TARIFF NEGOTIATIONS

On the orders of the day:

**Mr. Reid Scott (Danforth):** Mr. Speaker, I want to ask the Minister of Trade and Commerce a question. On October 21 in response to a question of mine the minister said he was going to make a statement to the house on the status of the preparations for the Kennedy trade negotiations. That was about a month ago. In view of the very important nature of this matter I wonder when we may expect the minister's statement.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, the draft statement was given to me today by my officials and I am now reviewing it. I hope to make it within the next day or so.

EFFECT OF WHEAT SALES TO CHINA ON CANADIAN TEXTILE EMPLOYMENT

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of Trade and Commerce. Is he aware that, according to comments in *The Sentinel Review*, mass selling of Canadian wheat to communist China means the loss of 1,500 jobs in the Canadian weaving industry?

[*Text*]

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** I am not aware of those reports.

*Inquiries of the Ministry*

WHEAT—REQUEST FOR TABLING OF AGREEMENT WITH RED CHINA

On the orders of the day:

**Mr. Jack McIntosh (Swift Current-Maple Creek):** Mr. Speaker, I have a question for the Minister of Trade and Commerce. In view of the fact that he tabled the agreement between Canada and Czechoslovakia today, will he give consideration to tabling the wheat agreement between Canada and red China?

## HEALTH AND WELFARE

ADMISSION OF PUBLIC TO CONFERENCE ON SMOKING AND CANCER

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Will the public be admitted to the conference on "tobacco and cancer" which, as the minister has announced, will be held next week?

[*Text*]

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, there is insufficient space in the room to permit anyone being present other than invited parties.

HIGHWAY SAFETY—REQUEST FOR APPEAL BY PRIME MINISTER

On the orders of the day:

**Mr. P. V. Noble (Grey North):** I wish to direct a question to the Prime Minister. Would the Prime Minister take the first opportunity to make a television appeal to the Canadian people in order to impress upon them the great necessity for better observance of highway safety regulations, in the hope that we might reduce the traffic death toll which was so much in evidence last week end?

**Right Hon. L. B. Pearson (Prime Minister):** I would be glad to do anything I can along the lines suggested by the hon. member—

**Mr. Fisher:** Provincial jurisdiction.

**Mr. Pearson:** —including an appeal over television if that were appropriate in the circumstances.

## FINANCE

REPORTED U.S. ACQUISITION OF CANADIAN BANK STOCK

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, I have a question for the Minister

of Finance. Is the government aware that the First National City Bank of New York has purchased, through a subsidiary, a 50 per cent interest in the Mercantile Bank of Canada, contrary to the policy prohibiting the operation in Canada of branches of United States banks?

**An hon. Member:** Give us an answer for a change.

**Mr. Speaker:** Order. Unless the minister cares to answer this question, it is one for the order paper because it requires considerable research.

**Hon. Walter L. Gordon (Minister of Finance):** I would be glad to answer the question, Mr. Speaker, because the hon. member was kind enough to give me notice. The purchase of a 50 per cent interest in the shares of the Mercantile Bank of Canada by a subsidiary of the First National City Bank of New York, of which the government is aware, does not contravene any present legislation.

## TRANSPORT

### RAILWAY BRANCH LINES—CONFERENCE RESPECTING ABANDONMENT

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** I haven't got a loaded question for the Minister of Transport, although I could ask him why box cars loaded at Prairie River, Saskatchewan have not been picked up for ten days. I should like him to tell the house whether he proposes to attend the conference which has been called by the premier of Saskatchewan to discuss the problems raised by rail line abandonment. The conference begins on Friday next, I believe.

**Hon. G. J. McIlraith (Minister of Transport):** As to the first part of the hon. member's remarks, he will be happy to know that I have directed an inquiry to the Canadian National Railways to see what I can find out about the two box cars to which he referred.

As to the second part of the question, I have received an invitation from the premier of Saskatchewan to attend a meeting at Regina on Friday, November 22 of representatives of the various municipalities to discuss the question of rail line abandonment and proposed legislation arising out of the MacPherson royal commission report. I regret very much that I shall not be able to attend that meeting.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Will anyone be representing the hon. gentleman or his department at that meeting?

[Mr. Aiken.]

**Mr. McIlraith:** There will be one or possibly two officials from the department present, and they will be able to deal with the technical aspects of the matter and with the report of the royal commission.

**Mr. R. R. Southam (Moose Mountain):** In view of the fact that the minister is not able to attend this conference, will he delegate several prairie members to attend in his place?

### NORTH SYDNEY-NEWFOUNDLAND—MAINLAND FERRY TERMINAL

On the orders of the day:

**Mr. R. R. Southam (Moose Mountain):** In **Victoria):** Mr. Speaker, I have a question for the Minister of Transport, and by no means is it a loaded one. In view of the fact that the minister advised Dr. J. S. Munro, the mayor of North Sydney, by telephone on October 25 that North Sydney would be the mainland terminus for the new $12 million auto ferry, and in view of the fact that the minister advised the Halifax *Chronicle-Herald* on November 18 that the government had not yet reached a decision on this question, would the minister in his own decisive way make another statement in the house to clarify the situation? In other words, is North Sydney going to be the mainland terminus?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I think I should begin by telling the hon. gentleman that his understanding of the telephone conversation is not correct. A decision on the terminal for the new ferry has not yet been taken. However, it will be taken shortly and announced in the ordinary way.

**Mr. Muir (Cape Breton North and Victoria):** A supplementary question. Might I ask the minister whether he would kindly notify the mayor of North Sydney that he has misunderstood him?

**Mr. McIlraith:** I think the mayor did not understand the Minister of Transport.

**Mr. Muir (Cape Breton North and Victoria):** I think you are in error.

## EDUCATION

### REQUEST OF TEACHERS' FEDERATION FOR GRANTS TO PROVINCES

On the orders of the day:

**Mr. Reynold Rapp (Humboldt-Melfort-Tisdale):** Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister aware that the Canadian teachers' federation has passed a resolution urging the federal government to provide grants to the

provinces for general elementary and secondary education? If so, would the Prime Minister discuss this matter at the federal-provincial conference to be held next week, in order to comply with the requests of the Canadian teachers' federation?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the answer to the first part of the question is yes; I was made aware of this by the delegation which I had the pleasure of meeting last week. As far as the second part of the question is concerned, initiative in a matter of this kind concerning elementary and secondary education should come from the provinces. All the provinces will be represented here next week, and if they take that initiative the federal government will be very glad to discuss this matter with them.

REQUEST FOR ANNOUNCEMENT RESPECTING SCHOLARSHIPS

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I would like to direct a question to the Prime Minister. Is he now in a position to announce the 10,000 scholarships of $1,000 each that were promised during the election campaign?

**Right Hon. L. B. Pearson (Prime Minister):** No, Mr. Speaker, not on orders of the day.

**Mr. Starr:** As a supplementary question, will the Prime Minister be in a position to announce them at some other point in our proceedings?

**Mr. Pearson:** I hope to be in that happy position, Mr. Speaker, one day.

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF NATIVE INDIAN REPRESENTATIVES

On the orders of the day:

**Mr. Ian Watson (Chateauguay-Huntingdon-Laprairie):** Mr. Speaker, I should like to bring to the attention of members of the house the fact that a number of prominent Indian representatives from British Columbia, Ontario and Quebec are present in the gallery today.

INQUIRY AS TO TRANSLATION OF WORK BY BEAUCHESNE

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Prime Minister. Since the library of parliament has distributed today a list of selected works on procedure, I take this opportunity to ask the right hon. gentleman the following question. Where do matters stand as far as the translation of Beauchesne's Parliamentary Rules and Forms is concerned?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** I will be looking into this matter to ascertain exactly where we stand at the moment, and I will give an answer very shortly.

## VETERANS AFFAIRS

REQUEST FOR REPORT ON DISTRIBUTION OF WAR CLAIMS FUND

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the Minister of Finance and I am sorry I have not given him notice. It is a question of considerable importance to Hong Kong veterans. Has the minister since taking office received requests from any organizations or individuals to publish the report on the distribution made from the war claims fund?

**Hon. Walter L. Gordon (Minister of Finance):** Not to my knowledge, Mr. Speaker, but I will be glad to look into the matter and if I am incorrect I will advise the hon. member tomorrow.

## TRANS-CANADA AIR LINES

PURCHASE OF NEW PLANES—MEETING WITH COMMITTEE OF LIBERAL CAUCUS

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to ask the Minister of Transport if he has met with a very impressive committee of the Liberal caucus led by the hon. member for Dollard on the matter of the replacement for Viscount and Vanguard aircraft for Trans-Canada Air Lines; and whether, following this meeting, he will soon be in a position to give the house the result of the cabinet deliberations on this matter.

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I have not met any committees from any of the caucuses.

## INCOME TAX

QUEBEC—REQUEST FOR DEDUCTION OF PART TIME UNIVERSITY FEES

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I should like to direct a question to the Minister of Finance.

Does the minister intend to accede to the request submitted last October 31 by the part-time students' association of the faculty of arts of the University of Montreal, which asks that

tuition fees be made deductible from their taxable income?

Has the minister replied to the association?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** Mr. Speaker, this matter and all other proposals in connection with legislation which might be brought forward in the next session is now being considered within the department.

QUEBEC—COMPLAINTS RESPECTING CLAIMS FOR CHARITABLE DONATIONS

On the orders of the day:

[*Translation*]

**Mr. Gerard Perron (Beauce):** Mr. Speaker, I should like to put a question to the Minister of National Revenue. Did the minister investigate or give instructions to his officials in order to stop their arbitrary and unfair way of reducing by half, and sometimes more, the amounts claimed for charitable donations in the income tax returns of several taxpayers?

[*Text*]

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I am afraid I can do no more than to reject the implication contained in the hon. member's question.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** A supplementary question, Mr. Speaker. If I tell the minister that the same situation exists in my riding, will he deny that fact? As a matter of fact, I can give him a number of examples.

Moreover, the hon. member for Villeneuve (Mr. Caouette) advised me that in his riding, charity receipts claimed for tax deduction purposes are reduced without any investigation or explanation, and even without the taxpayers being informed, which compels them later to pay the tax accordingly.

[*Text*]

**Mr. Garland:** Mr. Speaker, I can add nothing to what I have said in answer to the previous question. There are no arbitrary powers given to our officials to reduce these claims without proper investigation. They are charged with the responsibility of satisfying themselves that the receipts are accurate and beyond that I cannot go. As I indicated the other day, the situation is the same all over Canada as it is in Quebec; it is not confined to any particular ridings or areas of the country.

[*Translation*]

**Mr. Gregoire:** A supplementary question, Mr. Speaker. Can the minister tell us whether he can have an investigation made in certain tax offices, and more particularly in those of the Quebec area, in order to make sure that civil servants do not behave in a discriminatory and arbitrary fashion?



[*Text*]

**Mr. Garland:** Mr. Speaker, I do not know how many times I have to repeat that there is no discrimination. We cannot accept this proposition. We are very much aware of these charges that are made from time to time and of the implications suggested by questions of this kind.

[*Translation*]

**Mr. Perron:** Mr. Speaker, I should like to ask a supplementary question. If there is proof of discrimination and arbitrary decisions, can the minister tell us how to advise the taxpayer, in order to cope with that situation?

[*Text*]

**Mr. Speaker:** Order, please. If hon. members have any particular proof or matters they wish to submit in a private way may I suggest that they do so to the minister and give the minister a chance to investigate if he thinks it desirable to do so.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, on a point of order. I have no intention whatsoever of questioning your decision, but the situation that has just been pointed out is not to be found in only one part of Canada but right across the country. Consequently, can the minister assure us there will be an investigation into such discrimination against Canadian taxpayers?

[*Text*]

**Mr. Garland:** I can only repeat that there is absolutely no discrimination.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I rise on a question of privilege—

[*Text*]

**Mr. Speaker:** Order. This is taking on the nature of a debate, and it is also becoming almost a restated complaint. If hon. members really think they have been aggrieved, or if they wish to bring something of urgent importance to the attention of the minister will they kindly do so, but not at this time. The hon. member for Port Arthur.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I rise on a question of privilege—

**Mr. Speaker:** Is it the same question of privilege?

**Mr. Gregoire:** Yes, Mr. Speaker.

[*Text*]

**Mr. Speaker:** I will listen to the statement of the question of privilege.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, we, on this side of the house, have declared that there was "discrimination" or that arbitrary decisions were made by officials of the income tax division, and the minister has stated that there was no "discrimination".

That is why I rise on a question of privilege for, in my opinion, this concerns the rights of all members. When we make assertions and the minister maintains the opposite, he must, then, let us have the investigation we are asking for in connection with that matter; then we shall produce the evidence accordingly.

That is my question of privilege.

[*Text*]

**Mr. Speaker:** Order. It is my task to see whether there is a question of privilege or a prima facie case, and I must say, having listened to the minister deny four times this afternoon that there is any discrimination, that I do not see any prima facie case of privilege.

[*Later:*]

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a question of privilege concerning the point raised a while ago by the Minister of National Revenue to the effect that there was no discrimination. I think it is my duty now to bring a few examples to the attention of the house, proving that, contrary to the minister's statement there is discrimination. I shall refer to a letter—

[*Text*]

**Mr. Speaker:** Order. The hon. member must realize that rightly or wrongly the Chair has given a decision on his alleged point of privilege, and the decision was that there was no prima facie case.

[*Translation*]

**Mr. Gregoire:** Then, Mr. Speaker, may I put to the Minister of National Revenue a question with regard to a paragraph of a letter written to a taxpayer by an official of the taxation division:

> While it is true that our letter of July 24 gave to understand that an official of our department would call on Mr. Tremblay, we realized later on that, in view of the great number of returns, this task would unduly delay the assessment and hence the refund.

[*Text*]

**Mr. Speaker:** Order, please.



[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on a question of privilege—

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I rise on a point of order.

We want to conform to the rules of the house, but when we ask a minister a question—

**Some hon. Members:** Order.

**Mr. Caouette:** —and his answer is vague, hardly accurate, hardly precise, then we are accused of wanting to make speeches and not abiding by the rules. Let the minister accept what we are stating and give us the assurance that he will see to it that things are straightened out.

**Mr. Gregoire:** Mr. Speaker, on the question of privilege—

[*Text*]

**Mr. Speaker:** Order. This is an abuse of the rules. The hon. member may not know it, but a question should not last more than a sufficient time to explain its urgency or its tenor. The hon. member is making a speech, not asking a question. If it is on the same point, the question has already been decided twice, and I think the hon. member should leave it there.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I have another question of privilege—

**Mr. Speaker:** Order.

**Mr. Gregoire:** Mr. Speaker, I have another question of privilege, and it is that the minister—

**Mr. Speaker:** One moment. The hon. member for Lapointe has a question of privilege?

**Mr. Gregoire:** Yes, Mr. Speaker.

**Mr. Speaker:** All right.

**Mr. Gregoire:** Mr. Speaker, here is my question of privilege. The minister has misled the house in stating there was no discrimination, no arbitrary decision, and the evidence on that point—

[*Text*]

**Mr. Speaker:** Order, please. There is no question of privilege. The minister has denied the implications four times. I have ruled on it twice, and may I suggest we get on with the business before the house. My learned and hon. friend must know he cannot do indirectly what he is not allowed to do directly, and the attempt to get around the ruling earlier, if I can put it that way, is completely out of order and I hope my hon. friend will accept that judgment.

**Mr. Caouette:** The minister is responsible.

*Inquiries of the Ministry*

## AGRICULTURE

INQUIRY AS TO EQUIPMENT RENTAL PLAN

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I should like to ask the Minister of Agriculture whether he can give any indication when he will be able to reveal in the house his interesting plan for a federally supported equipment rental scheme for farmers.

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I am glad the hon. member for Port Arthur has asked me that question, because I am sure he feels the same about me as I do about him.

**Some hon. Members:** Oh, oh.

**Mr. Hays:** In due course he will have the interesting answer.

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I also wish to ask the Minister of Agriculture a question. Is it the intention of the minister to introduce legislation at this session to deal with the problem of stability of price and supply of feed grains for the farmers of eastern Canada?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, we are looking into this whole matter. This question is before the committee on agriculture now and I understand that on Thursday the members of the committee will be presenting a number of questions to the board of grain commissioners. We have all of these things in mind. We are taking a close look at them, and when we have the answers we will announce them in the house.

**Mr. Coates:** Do I understand from the minister's statement that no action will be taken with regard to legislation on feed grains for eastern farmers until the agriculture committee has completed consideration of this matter?

## BUSINESS OF THE HOUSE

LANDS, FORESTS AND WATERS—INQUIRY AS TO MEETING OF COMMITTEE

On the orders of the day:

**Hon. W. G. Dinsdale (Brandon-Souris):** I have a question for the acting house leader. Can he inform the house when the committee on lands, forests and waters will be called?

**Hon. J. Watson MacNaught (Solicitor General):** No, Mr. Speaker.

[Mr. Caouette.]

## POWER

COLUMBIA RIVER—INQUIRY AS TO RENEGOTIATION OF TREATY

On the orders of the day:

**Mr. D. V. Pugh (Okanagan Boundary):** I should like to ask the Prime Minister a question which is related to the Columbia river treaty. Will the Prime Minister state now that all the details have been settled as between British Columbia and this government?

**Right Hon. L. B. Pearson (Prime Minister):** As has been mentioned in the house, Mr. Speaker, there is one very important detail to be settled, and that is the price of downstream benefits if power is sold in the United States. This is an outstanding important question that is now being considered between British Columbia and the United States.

**Mr. Pugh:** May I ask a supplementary question. When this is settled, will the treaty then be ratified?

**Mr. Pearson:** Mr. Speaker, this is the only important outstanding question.

**Mr. Stuart A. Fleming (Okanagan-Revelstoke):** Will the Prime Minister inform the house what other important questions have been settled?

## AIR TRANSPORT

HASKETT, MAN.—PROVISION OF LANDING STRIP

On the orders of the day:

**Mr. George Muir (Lisgar):** I should like to ask the Minister of Transport if he has anything to report at this time on the provision of a landing strip at Haskett, Manitoba, which is a question of importance to the flying farmers of Manitoba.

**Hon. G. J. McIlraith (Minister of Transport):** I will procure the information and give an answer tomorrow.

## PUBLIC SERVICE

INQUIRY AS TO REFORMS RESPECTING BILINGUALISM

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct my question to the President of the Privy Council. Last June 25 the minister stated in the house that in September he would institute reforms in the civil service with regard to bilingualism. Can he tell the house what are those reforms, which have not yet been announced, or should I put my question on the order paper?

**Hon. Maurice Lamontagne (President of the Privy Council):** Mr. Speaker, a number of reforms are under way. If the hon. member would put his question on the order paper, I would be able to give him a more precise answer.

[*Text*]

## IMMIGRATION

HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** I should like to answer a question asked by the hon. member for Bow River as to whether officials of my department questioned the propriety of Hal Banks leaving Canada for the United States in view of the bail he was under.

The answer is as follows. The Department of Citizenship and Immigration exercises no exit control over persons leaving Canada, and such persons are not normally seen or interviewed by Canadian immigration officers. The only exception to this is in the case of persons who wish to have their departure verified, so I assume on that particular day such was not Mr. Bank's wish.

## SPORTS

HOCKEY—QUALITY OF TEAM TO BE SENT TO OLYMPIC GAMES

On the orders of the day:

**Mr. Gerald A. Regan (Halifax):** Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. In view of the disgraceful showing of the Canadian hockey team in Moscow, does the minister think the team to be sent by Canada to the Olympics, supported by the national fitness council to the extent of $25,000, will be sufficiently strong to be truly representative of top amateur hockey in Canada?

**Mr. Speaker:** Order. This is a question for the order paper.

## NATIONAL CENTENNIAL ACT

AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

**Right Hon. L. B. Pearson (Prime Minister)** moved that the house go into committee to consider the following resolution:

That it is expedient to amend the National Centennial Act to change its short title from the National Centennial Act to the Centennial of Confederation Act and to change the title of the national centennial administration to that of the centennial commission; to provide also that the centennial commission shall consist of a commissioner, an associate commissioner and not more than twelve directors in lieu of eight directors and to provide further for certain administrative changes in connection therewith.

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

**Mr. Diefenbaker:** Does the Prime Minister plan to make a statement?

[*Translation*]

**Mr. Lamontagne:** Mr. Chairman, I do not intend to speak at any length on the meaning and contents of the resolution before us, because I consider that it expresses very clearly what it intends to achieve.

First of all, the resolution aims at increasing the number of directors from eight to 12. In this way the government simply wants to obtain a fairer area representation and a more adequate intercommunication in a field where it is particularly important to maintain continuous relations and consultation with the various parts of this country and individual groups.

The resolution further aims at giving to the board of directors the necessary authority to undertake, or contribute to, any project without first obtaining the permission or agreement of the governor in council, as long as the required expense does not exceed the amount of $25,000. We believe that this change is desirable, because it will give the board of directors greater flexibility and efficiency.

Finally, the third objective is to amend more particularly in the French version, certain terms of the present act which are not in keeping with historical facts and to which the government of Quebec has strongly objected. For instance, both versions of the act mention the centenary of Canada rather than the centenary of confederation. Moreover, the word "national" in the English version is confusing in the context in which it is used, and resulted in another historical error in the French version. Thus, the latter constantly refers to the "centenary of the nation" rather than to the "centenary of confederation."

The expressions "Canada centennial", "centenaire du Canada", "national centennial" and "centenaire de la nation" have given rise to perfectly justified objections on the part of the premier of the province of Quebec.

He set down those objections in an exchange of correspondence first with the former prime minister of Canada and then with the present Prime Minister. That correspondence began on October 4, 1961, and has already been tabled in this house by the Minister of Justice, on June 27 of this year to be exact.

That correspondence and the debates which took place last summer in the legislative assembly show quite clearly that the government of Quebec will refuse to participate in the centennial celebrations, unless the changes we are proposing today are accepted by the Canadian parliament.

Other changes less important than those are being proposed but, in my opinion, the hon. members will be in a better position to discuss them at the second reading stage of the bill.

Therefore, I do not intend to say anything more at this time.

[*Text*]

**Mr. Diefenbaker:** I am somewhat surprised, Mr. Chairman, that the Prime Minister, in whose name this bill appears, has not spoken on this amendment but has left this matter to the President of the Privy Council. I will be speaking at somewhat greater length than he did. The President of the Privy Council has set forth, in simple words, that the reason for these changes is the high minded purpose of the government to bring about an increase in the number of officials and to increase the number of directors from 8 to 12; to improve the efficiency of liaison, as I understand it, by a provision that the governor in council will not be required to give his consent to undertakings or projects costing under $25,000; and finally to change the name because the premier of Quebec has stated that unless this change is made, that province will not co-operate in the celebration of the one hundredth year of Canada's confederation. We have heard of other ultimatums in recent months. Apparently, from the very careful wording of the President of the Privy Council, this is another of those ultimata which have become very prevalent in the course of the past seven or eight months.

**Mr. Lamontagne:** Because of the mistakes that were made in the act.

**Mr. Diefenbaker:** Mention was made of the fact that there had been communication with me, as prime minister, by the premier of Quebec. I would point out that, while I have not the record before me, he stated that the date of that letter was October 4, 1961, and it will be noted that the act in question was assented to on September 29, 1961. In other words, throughout the entire period of the debate that went on in connection with this matter, this question was not raised by the premier of Quebec. It was only when he was asked to make recommendations in regard to the representation of Quebec on this board of directors that, as I recall it, for the first time any suggestion was made in this connection.

I do not think it is quite as simple as the President of the Privy Council would have it. You will have noticed, sir, that the number of directors is to be increased. That is becoming something of a regular course; as soon as the number is increased, immediately any appointments to that board of directors will be of those who are considered to be politically fit. I am sure that in a matter as important as securing the co-operation of all parts of Canada, considerations of political fitness will not be the pre-eminent reason for appointments to this non-party crusade, as it were, on the part of Canadians to bring about a realization in all parts of our country of the meaning of our 100 years of confederation. I believe there is need of a strong centennial administration without regard to party.

A little later on I am going to ask the President of the Privy Council to place on record the list of appointments that have been made to the conference. It is an interesting list, and it is one to which I shall refer. It is one that in my opinion gives greater consideration to political fitness, to patronage packing, than to the great issues that face us and the opportunity of doing something in Canada to bring together all parts of this country in a unity of dedication.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** I was not in the house at the time, but I am informed that last evening the hon. member for Ontario referred to the establishment of a council under the legislation then before the house. He asked, among other things, whether the minister would tell the committee what areas of our population were expected to be represented by the additional five members. An answer was given by the hon. member for Rosedale, I understand, who has from time to time answered for the government, although he does not always get the credit. The answer of the hon. member was "The Liberal area". That was an interesting answer given by the hon. member last evening, if I am correctly informed by those who were present at the time, although for the benefit of posterity the hon. member will remain incognito, because *Hansard* records that "an hon. member" made that statement. However, it does reveal an attitude of mind. I do not know why the hon. member did not receive identification, because I am sure he would like to look back in future years to having uttered those immortal words; that the reason for the increase in the number of people on the council was to secure extra representation in the Liberal area.

That is a state of mind; and it is very apparent as I look at the appointments made, that the hon. member for Rosedale, although he is just on the periphery of power, was

able last evening to speak with authority and indicate the attitude of the government as a whole.

Now, sir, we believe that in the appointments to be made to this council, patronage should not be put on the march, that partisan political objectives have no place in an organization designed to bring together all the people of Canada and all the provinces of Canada. I intend to look over, just in a casual way, the appointments which have already been made since the minister took charge. They indicate a disregard of the principle of non-partisanship which should prevail in connection with the celebration of confederation. At the moment, I intend to do no more than point out these facts, because I know the committee will be most anxious to hear the minister explain how these appointments came about. It could just happen, of course, in the case of a few of these appointments, that they were former Liberal candidates or organizers, or even wives of former Liberal candidates. Up to a point one might consider it was no more than a coincidence.

**Mr. Lamontagne:** The former Speaker, too.

**Mr. Diefenbaker:** I will deal with that, too. We did not make these appointments. They were made by the hon. gentleman, or on the recommendation of his government. I say they are not in keeping with bipartisanship or with multi-partisanship in this House of Commons or in this country. I shall refer to that shortly. I wish to put this list to the minister because it is a who's who of Liberalism to the extent of about 75 per cent of the appointments.

Let us glance over it. One is a former Liberal candidate. Another is a great Liberal worker. A third is a former candidate in the last election. A fourth is a former Liberal M.L.A. On I go. Among these names, of course, are the names of some who might have become members if they had got nominations. There are members of the bench. Of course they are removed from politics, but it so happens that no one who was not was appointed by the present government or its predecessor, the St. Laurent government, is mentioned here. Then there is the wife of the Liberal candidate in Winnipeg. Just a coincidence. Then there is the wife of a Liberal member, a woman of ability and capacity. There is the defeated Liberal candidate in Vegreville, Alberta. I am just giving a few examples. I could go into greater detail, and I am sure the minister would be glad to hear me do so.

**Mr. Lamontagne:** Go on.

**Mr. Diefenbaker:** But in addition to their political affiliation these people have certain other peculiar propensities and qualifications which made necessary their appointment, whether it be experience as candidates or something else. I hope the minister will go over this list. I hope he will place it on the record because, speaking with the utmost seriousness, with the exception of appointments such as that of Mr. Claude Jodoin—

**An hon. Member:** George Hees.

**Mr. Diefenbaker:** Oh, no. Mr. Hees did not get on that list. He had a higher dedication. The hon. gentleman is a little behind. He does not know who is on the list. Any time the hon. member who has just spoken wants to intervene, after his present intervention, I shall be glad to hear him.

There is the vice president of the University of Saskatchewan, and there are a couple of other professors. There is Mr. Michener, and then there is a representative of the Legion.

**Mr. Lamontagne:** The federation of agriculture.

**Mr. Diefenbaker:** Oh, yes; David Kirk. There are these few, interspersed among a political glossary. It is a most interesting thing.

Now what are the hon. gentleman and his friends going to do? They have taken over the membership of the organization in large measure and given it to members of their own party. This is an occasion which should be above that type of thing. I am not going to say there would not be occasions when I would not raise objection, but this is something which is, or should be, above party, above any consideration other than the unity of our country.

I object strenuously to this list. It is a list which indicates that this government has no realization of the meaning of a celebration of confederation. It discloses the appointment of several people in a representative capacity but the rest of them, many of them, have no other practical qualification except that they are all members of the party which is now in power. I do not understand this in the context we are now considering. A committee which should be representative of all the people of Canada should be above the suggestion of becoming a party instrument in overwhelming measure.

Now the intention is to increase the number of directors. What does this mean? It means that all the appointments which have been made are out because as soon as the act is amended—

**Mr. Lamontagne:** I never said that.

**Mr. Diefenbaker:** Then could I ask the minister to say which appointments will be continued? The effect will be that they will all be out. If perchance they are reappointed, then of course those who are reappointed will be in. But that is the trend which is taking place.

There is another field to which I would direct the attention of the committee. The board of broadcast governors is, I understand, now being considered as another field for interference.

**Mr. Lamontagne:** That is the last one you should refer to.

**Mr. Diefenbaker:** Any time the minister wishes to interrupt, if he will stand up I shall be glad to answer him, because he is going to have an awful lot to answer for.

Now, it would appear, changes are to be made to bring about the strongest possible organization; that is what they say, at least. I want to look back and see what was decided in the past, and ask why the changes? I go back to the first meeting of the provisional national committee. I do this merely for the purpose of having the record clear. It met under the joint chairmanship of the hon. member for Three Rivers and the hon. member for Queens. That was on February 8, 1960. Then on April 18, 1961 the committee further operated. Those attending included four ministers of the federal government and one representative from each of the ten provinces. In addition to the membership to which I have referred, this group consisted of some 37 people, and there were 14 members appointed by the various provinces.

On this committee there is the President of the Privy Council and the Minister of Forestry. Those ministers represent something of the relationship that we endeavour to bring out. It is a joint relationship between the English and the French. We had joint representation in regard to the appointments made outside of those who were appointed by the provinces.

The minister has opened up the whole field by saying that he wants to make this a strong and effective organization. Therefore I think we should have a report now of the whole situation regarding centennial planning. For example, as one looks at what is taking place in one of the fields, namely the world fair, one begins to wonder what is being done.

**Mr. Lamontagne:** What have you done?

**Mr. Diefenbaker:** What has been done? What are we going to achieve? Are we going to attain what we hope will be a time of national stocktaking, a rededication for the future? Are we going to attain a program which will mark the birth of this nation as a nation? That would not disregard what took place prior to 1867, when we were not a nation. We were at that time a composite of colonies. There was Lower Canada and Upper Canada, and they were joined together either under the act of union or the constitutional act of 1791. But we did not have a nation. We also had colonies by the sea; Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick. They joined together as a nation on July 1, 1867. These are not my words in 1963; they were the words that Sir Georges Etienne Cartier used in 1867: "We have joined together as a nation".

Great things had been done prior to that time. In what is now known as French Canada there had been a great heritage of several hundred years. In English Canada and in the maritimes—and taking Nova Scotia, for a moment, as an example—there were the knighthoods established under James I of England and James VI of Scotland. Parliamentary institutions were established there, but there was no Canadian nation as such. There were a number of colonies which joined together following the meeting in Charlottetown and later in Quebec, and they joined together under a federal system as a nation.

I think the programs, marking as they do the birth of this nation, must have a strong national flavour. But they must also have local and provincial aspects. I see this celebration in 1967 as something which will reflect the entire record of Canadian history from the days of Jacques Cartier and the Cabots. I see it as something which will show the tremendous contribution made by the church; by the French missionaries who came here; by the French and English explorers who came here; and by those of other racial origins who came to this country prior to 1867.

**Mr. Greene:** What about Lief Erikson?

**Mr. Monteith:** Why don't you sit back and learn something?

**Mr. Diefenbaker:** When I hear that interruption I think of the hon. gentleman in the words of Job: "Who is this that darkeneth counsel by words without knowledge?" I am glad to see there has been special recognition of the undertaking of projects of a capital nature; that there has been recognition of the contribution made by Charlottetown, a contribution recognized in the great edifice now being built in that city. The recognition of what took place in the city of Quebec is above parties; this is a matter that should bring all of us together without regard to party, which will serve to record and preserve our historical and cultural past so as to recognize in particular the contributions made by both English and French.

I also want to underline and emphasize the contribution made by other racial origins who do not want their descendants placed in the position of being second class citizens in this confederation. These racial origins came early in what is now Nova Scotia. The Germans came in about 1758. In other parts the United Empire Loyalists came in the 1780's, many of them being of German and Dutch origin. Other races came in later on to make their contribution to the building of this country into a great nation. At the same time that recognition was given to the basic principle upon which confederation was established there was the assurance that the rights of the basic races should be retained, unchanged and unchanging.

With a view to bringing these things about we suggested certain courses to be followed. The hon. member for Three Rivers, as one of the joint chairmen, announced on October 11, 1961 the federal government's plan to provide for $100 million as its budget. Then he set out certain ideas and suggestions in connection therewith. May I detour for a moment to point out that one of those things was the authorization to the national capital commission to purchase properties on the east side of Sussex drive in Ottawa and restore the buildings thereon to their appearance at about the time of confederation. This was to be a mile of living history. Now it is the history of a mile which will never come into existence because of the stand taken by the government in their refusal to carry out a plan which had in it the nucleus of principles which would have made Ottawa a place not only vital and living in the present but also revealing something of the greatness of its past.

When we were in office we announced that the federal government intended to ask parliament to make grants available for projects in the various provinces, and that the federal contribution should not exceed one third of the agreed cost, and so on. In view of the fact that the minister has opened up the whole matter for consideration I should like to hear him place his plans before this house and the country.

I go back to 1946. At that time I suggested that one of the things that would do more to give us a knowledge of our past and an appreciation of our heritage would be a freedom train to travel across Canada carrying on it the treasures of our freedom beginning with Magna Carta and the Bill of Rights of 1689, in addition those things that made this country possible such as the Quebec Act of 1774. Here in Canada we have the heritage of being the first country within what is now the British commonwealth to secure freedom of religion. We did so 50 years before it was attained in the United Kingdom and we secured it from the United Kingdom parliament. Here the Jews received their freedom for the first time.

Ezekiel Hart was elected to the legislature of Lower Canada in 1807 and it was not until 1832 that his right to sit was fully recognized. Some of us have difficulty getting into parliament but although elected, Hart was not allowed in. But he and all other Jews were granted something for all time that was not extended to people of the Jewish faith in the United Kingdom until a quarter of a century later.

Here in Canada we abolished slavery in 1791 or 1792, before any other nation in what is now the western world. These are some of the things of our past. These are the living things that give strength and vitality to a nation. One of the most interesting debates one can read is that which took place following the introduction by William Pitt, the younger, of the amendment to the Quebec Act in 1791. That debate is worthy of a place in our history books representing as it does the beginning of the concept of independence while at the same time retaining the closest of relations with the motherland.

Then there is the Act of Union. These are things that are part and parcel of this nation. A freedom train would bring them together. I do not know whether Great Britain would allow Magna Carta to be brought over here from the British museum but certainly a prototype could be produced that would be a living embodiment of our freedom. When you read Magna Carta you find that for the first time religious freedom was established within the England of that day. It provided that Jewish people could lend money and could ask for repayment up to a period of seven years, beyond which they were not allowed to collect either principal or interest. Yet within a very few years one of the worst persecutions in all history took place in the England of that day.

The Magna Cartas of 1215 and 1217 and the various Magna Cartas that followed are the golden threads in the tapestry of our nationhood. That is why I suggest to the minister I should like to hear what is being done in this connection.

I should also like to know what the view of the government is with regard to those who today occupy the positions of commissioner, deputy commissioner and directors. I see there is to be a change made in the amendments so that the description of the offices will be "commissioner" and "associate commissioner". I state immediately that I agree with that. We discussed this at length when endeavouring to bring about this legislation. We referred to the associate as a deputy. I feel

in that change the government is doing something in keeping with the tradition of our country.

I mention the other appointments, Ernest Cote, assistant deputy minister of northern affairs and national resources and Dr. John Hodgson, assistant secretary to the cabinet. The four men I have mentioned all have a national reputation. I want to point out that when I announced the appointments in the house on January 25, 1963 the hon. member for Laurier, now Minister of Justice, gave his approval to the appointment of the commissioner and the deputy commissioner and pointed out that they were good men and had been well chosen.

In addition to those men the other appointments are Hugh Mills, Halifax, Paul Desmarais, George Metcalf, Dr. Norman MacKenzie, J. R. Murray, managing director of Hudson's Bay Company and Mrs. Marianne Linnell of Vancouver. I say that these individuals are worthy of being continued in their positions. All of them are good people, and I ask the minister whether it is his intention—

**Mr. Lamontagne:** You can have the answer now.

**Mr. Diefenbaker:** If the minister wants to answer, all right.

**Mr. Lamontagne:** I can say that it is certainly not the intention of the government to replace any of the present directors of the administration.

**Mr. Diefenbaker:** It is the intention to continue them in office?

**Mr. Lamontagne:** Exactly.

**Mr. Diefenbaker:** And that covers everybody from the commissioner and what is now described as the associate commissioner down. I appreciate that. I expected that would be the answer that would be given by the hon. gentleman.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** Apparently there is disagreement among some of those opposite because they have the same view that the hon. member for Rosedale expressed last week, but I am glad the minister is above that kind of petty pressure. I am not going to repeat what has been said on previous occasions. This whole matter was dealt with at length on September 18, 1961, and discussed by the present Prime Minister, then leader of the opposition, and by many other members. We felt at that time that we had brought about a plan that would be beneficial and would assure that confederation would be celebrated as it should be.



There is one other reference I wish to make and it has to do with the change of name. The name today is the "National Centennial Act" but apparently the word "national" is going to be removed. I do not understand that. Instead of being known as the National Centennial Act it is going to be called the "Centennial of Confederation Act". I like the word "national" covering the nation as a whole.

**Mr. Lamontagne:** It certainly stays there.

**Mr. Diefenbaker:** The word "dominion" has disappeared. During the days of Mr. St. Laurent it became an ugly word and was removed even from the telephone books. Now the word "national" is to be removed. I cannot understand the need of that change. This is a national undertaking. It is said it is objected to by the premier of Quebec. I am one of those who like to see confederation bringing us together in agreement, but surely we are not going to determine the course of a national undertaking on the basis of an ultimatum by any one of the premiers of the provinces. I should like to see words like "this nation" preserved. I know the minister mentioned the fact that there is not agreement in that regard in the province of Quebec.

This is the centennial of the establishment of this nation. This is not the centennial of Canada in its parts. It will be the centennial of all ten provinces of Canada. Certainly, to me, there is no opprobrious connotation in the word "national" in reference to this nation as a whole, nor was there any question of subservience in the term "dominion". I understand the viewpoint of some who say that in the translation there is a different connotation, but in the expression "national" there cannot be another connotation because the word is identical in both languages. Why remove a word that refers to all of the people of this nation, not only the two founding races but all the races of our country? I do not think words like these should be put on the proscript list.

**Mr. Lamontagne:** They are not.

**Mr. Diefenbaker:** Well, there must be a reason for removing them. It is not just the action of one taken by caprice. I suggest that if this is to be a national organization, it should remain as a national organization, in its title and description. What we are trying to do by this legislation is to strengthen the bonds of our country. This is the purpose of the President of the Privy Council, and all of us. Then, why not give reconsideration to these conference members? I did not name them out of consideration for the fact that

I did not want to put them in their respective slots. I feel that even yet the minister should give reconsideration to this.

We worked on these appointments. I know how difficult it is, because as soon as you pick out an outstanding person belonging to another party, immediately someone will say, he has not supported us. This has nothing to do with the organization. I look at this document I received from the office, and it is similar to the kind of work one finds on John Macdonald's copy of the original draft of the British North America Act. That is one of the things that should be in the records of our country. He did not write anything, but he did a lot of doodling. He drew pictures of some of those who sat around the table. He would have been a caricaturist or cartoonist if he lived today, on the basis of the doodling he did at that time. This is part of our history. I make this plea to the minister on the basis of what is being done: Let us endeavour to forget partisanship. Outside of five or six representative persons on that council, a microscopic eye could not detect the qualifications for the positions they are occupying beyond those of political rightness at the moment.

I am making this appeal. We have a terrible responsibility today with the cleavages in our country, a responsibility to so act that it will not be said of us that we allowed confederation to be weakened. The achievement of confederation is a remarkable one, and the more one looks at it, the more he believes it was a miracle of statecraft. It is one of the miracles of the world. There were so many reasons why these various colonies should not have joined together, and yet they did. In 1775 the French colonists decided to stay as Canadians. They refused the solicitations that were made to them to throw in their lot with the 13 colonies. If it had not been for them, the Canada we have today would not have survived. Franklin put up a great argument. The French of that day answered this argument.

In the light of history, we could not have blamed them if they had listened to the exhortations of Franklin to grasp independence. As a matter of fact, one of the most interesting phases of history is the fact that we in Canada can join the United States any time we feel like it, without any vote on the part of the states of the United States, because under the articles provision is made for Canada entering on the same terms as the original 13 colonies, and that provision still stands.

We chose another course. Your ancestors and my ancestors did not come here for the purpose of following the attractive proposition that might have been the economic result of having joined the 13 colonies which became the United States. The leaders of the American revolution did not understand the French Canadian mind. They did not know that these people were first and foremost Canadians. Whatever our differences may be in this country, I belong to those who still contend that that spirit is as staunchly held today as it was in 1776 and 1867.

History is a great teacher. It was a monumental decision for them to make to merge in 1867 with the numerically greater number of people in Upper Canada, predominantly of British origin, and with the people of New Brunswick, Nova Scotia and Prince Edward Island, overwhelmingly of British origin. It was not an easy decision for them to make. There have been great roadblocks since; there have been many difficulties along the path since confederation.

The conference at Charlottetown should be read and reread, and become the knowledge of every student in our public schools, high schools and universities. We do not think enough of Canada. We always see things somewhere else. At the moment I am not criticizing our national broadcasting corporation, but I would like to see it portray something of the grandeur of our past, of our explorers and missionaries such as Radisson and Groseilliers, something of the beginnings in the maritime provinces, something of the United Empire Loyalists and what they stood for, something of those who opened up the western plains, the coureur des bois, the Northwesters, the Hudson Bay Company, something of the Selkirk settlers, and what they all endured in building a nation. Those things are no longer part of the traditions of our people. They do not see, feel or hear something of those traditions, and this is an opportunity to do that very thing.

The fathers of confederation met in Charlottetown and afterwards in Quebec. I think one of the best descriptions of their meeting in Quebec is:

> —Macdonald, Galt, Tilley and Tupper, Cartier, Brown and McGee. They were there from French and English Canada. These fathers of confederation, in their dark Victorian clothes and stiff collars, might seem a less colourful assembly than the eighteenth century group in wigs and bright waistcoats that met in Philadelphia in 1787 to frame the American constitution. But the Quebec fathers also held in their hands the future of half a continent. And it was fitting they should meet in the old capital of New France, beside Cartier's great river of Canada. For here in the 72 resolutions that the conference drew up a new Canadian nation was born.

Sir, that is why I make this appeal. Give us a list of the people of this nation. Make this council worthy of our traditions. Strip

this committee of those who, in the eyes and in the hearts of Canadians as a whole will not be looked on as representatives of the people as a whole, without regard to party or religious considerations. In doing that we will be doing something to strengthen confederation.

The fathers evolved confederation. Its genius was not founded on absolutes. Its genius was not in the absolute uniformity of opinion or belief. Its genius was not in the absence of differences. Its strength and its power—the fact it has carried on almost 100 years, and I hope will continue from generation to generation—was not in similarity or uniformity. It was in differences, but those differences settled in reconciliation and a spirit of good will, understanding and co-operation.

In 1963, with all the elements that are today trying to pull this nation asunder, not saying it intentionally but having that effect, we need something of the abiding genius that characterized confederation and those who joined together. We need that once more as Canadians as we celebrate the one hundredth year of confederation. That spirit is tolerance, based on knowledge, of agreement in the larger things of life, and above all, by the determination that we as a nation put into this celebration the assurance that those differences shall not be permitted to pull asunder a nation whose future no one today, in the wildest dreams of imagination, can envisage.

**Mr. Lamontagne:** May I ask a question of the right hon. gentleman?

**Mr. Diefenbaker:** Yes.

**Mr. Lamontagne:** I would like to ask him why, since parliament gave approval to the setting up of this national conference on the centennial in October, 1961, no appointments were made before April, 1963; and second, what would be the names he would recommend to be deleted from the present conference?

**Mr. Diefenbaker:** I can tell you this, sir. The officials were meeting; the plans were being made, and I can tell you that 90 per cent of the names on this list would not have been on any list that I prepared, and that we would not allow the domination to be one of party. We wanted it to be a committee that would be representative of all of Canada and the best of Canada. If that is the only defence he has to give to that list, then I rue the possibilities for the future.

**Mr. Knowles:** Mr. Chairman, it is probably a good thing that the government has found reasons for seeking to amend this legislation, because in so doing we are being given an opportunity to take stock with respect to our plans for the celebration of the centennial of Canada's confederation, which is now less than four years away.

This is a subject which lends itself to references to our great history, such as those made by the Leader of the Opposition. It is a subject that lends itself to expressions of hope, faith and confidence about the future. I dare to hope that as a result of our stock-taking at this time, we may yet make of the celebration of our one hundredth birthday a worth-while event. However at this moment I think it has to be said with all candour that the chances of our having a worth-while celebration in 1967 are very slight. I place the blame for that on the party in power up until April of this year, and on the party now in power.

We have had many words about the celebration of our one hundredth birthday. We have had a great deal of talk about what is going to be done, but the fact is that already some of the projects which had been planned at the provincial and municipal levels have been cancelled, because people at these levels are unsure of what is going to be done nationally. Already precious time has been lost, not to mention the excursions into patronage that have marred this whole picture.

The Leader of the Opposition has referred to what was done by the government when he was prime minister. Part of what I want to say has already been alluded to in the question put to him by the President of the Privy Council, but may I put it on the record again. The act known as the National Centennial Act was given royal assent on September 29, 1961. The Progressive Conservative government had already been in power four years. Even that was pretty late, bearing in mind the warnings that had been given to the Canadian parliament years before, that we should start planning for this event. But even after that it took from September 29, 1961, until January 24, 1963, before the appointments of those to make up the national centennial administration were made. We have already had put on the record today the names of those who are the commissioner, the deputy commissioner and the eight directors.

I hold in my hand a copy of the first annual report of the national centennial administration, which was for the fiscal year 1962-63. I find from this that the board held its first meeting in Ottawa on February 18, 1963. I suggest that was already several years too late. What has the board done? I read from the report:

**Until the end of the fiscal year, ending March 31, 1963, the commissioners were engaged in locating**

office space, recruiting essential personnel, considering those projects which had already been approved by the government and developing a program which would guide the administration's operations in the ensuing months.

Then after a few short paragraphs—the report is all on one page—the commissioners make this statement:

> They have emphasized that planning for the centennial must start now.

Mr. Chairman, if ever the words "too little and too late" apply, I suggest they apply to the attitude that the governments we have had in office have taken toward this important matter of planning our centennial in a way that would mark our history for what it is worth, and also in a way that would chart for us a second century that would be even greater than our first. One hesitates to make many references to what he himself or his immediate colleagues may have said or done about a matter through the years, but I think it is perhaps appropriate in this connection to remind the house that a long time ago some of us started saying that 1967 would soon be here; that if we were going to celebrate our 100th birthday appropriately, we should start planning for it well in advance.

Someone else may have thought of the idea first, but the first person I know to have suggested that we start planning for 1967 in an appropriate way is a distinguished citizen of the city of Ottawa, Mr. Walter B. Mann, head of the English department at Lisgar Collegiate Institute. Mr. Mann is a long time friend of mine, and I know that in 1950 he started suggesting a 17 year plan. He suggested then, and he did so publicly, that we should look forward to our centennial celebration as an event to be greeted, not just with the sound of trumpets and long speeches, but by launching programs of development to make the country one in 1967 of which we could really be proud. I may say that Mr. Mann's idea appealed very strongly to my sense of imagination, and in due course I began presenting this idea to the House of Commons. Back in 1954, nine years ago, I first placed on the order paper of the House of Commons a resolution which read in these terms:

> That, in the opinion of this house, the government should give consideration to the advisability of the establishment of a 100th anniversary committee, with provision for federal and provincial representation, for the purpose of planning the economic and social development of this country on a vast scale, including inter alia, housing and slum clearance, conservation, irrigation and power projects, improvements in transportation, highway construction, the elimination of grade crossings, the building of hospitals, assistance to municipal projects and other public works, and also for the purpose of planning ways and means to strengthen the economy of every section of this country; and that consideration should be given to the advisability of such a program being launched immediately and being pursued vigorously year by year so that on July 1, 1967, the people of Canada will be in a position to celebrate this nation's 100th birthday not only with fireworks and speeches but by the achievement of a land of health and abundance for all our people.

Mr. Chairman, I placed that resolution on the order paper in 1954 with high hopes. I am afraid now that all we are going to have in 1967 are the fireworks and the speeches. The resolution was not debated in 1954 or early 1955. Hon. members know what happens to resolutions if they are down at the bottom of the list. They are not reached. But in March, 1955, during the debate on a supply motion when the grievance raised was unemployment, I took the opportunity to spell out what in that year I suggested might be called a 12 year plan. This was 1955; 1967 was still 12 years away. I suggested that we start thinking in terms of our 100th birthday as an event that we would best celebrate, not just by having fireworks and speeches when that time came, but by developing the social and economic life of our country, by strengthening our economy, by improving our life in every way; that if we did this sort of thing, we would be in a position to have a birthday really worth celebrating. I think probably that speech of mine on March 2, 1955, was the first speech in the House of Commons which suggested that we had to plan well in advance for an event such as the 100th birthday of this country.

The next year, on the editorial page of the Ottawa *Journal* of March 8, 1956, there appeared a very interesting article entitled, "Looking towards confederation birthday", by that very able writer, I. Norman Smith. On previous occasions I have quoted portions of this article by Mr. Smith and I need not do so again, except to point out that here was a writer of ability, whose articles are well written and widely read, pointing out to us that if we were going to celebrate our 100th birthday adequately we had to plan for it well in advance. Mr. Smith pointed out then that Ottawa, this city, had made a botch of the celebration of its 100 years as a city the year before because it had not planned well in advance, and he hoped that Canada would profit from the mistake that Ottawa had made. I will read the last paragraph of Mr. Smith's article:

> Finally, it must be planned now, and by men with a vivid sense of history and future, men unafraid to be called dreamers. Put such men at work now for even three weeks and they would come up with a blueprint of something that could easily prove the best thing that has happened to this country since confederation.

Others joined in that suggestion in speeches of one kind or another. As a matter of fact,

on March 19, 1957, there was reported in the newspapers of the country a speech that Mr. St. Laurent, who was then prime minister, had made the day before at Hamilton. In this speech he took up the theme and suggested that if we were going to celebrate our country's centennial in a proper manner we would have to start planning right away.

There were these several voices. I have named, among others, Mr. Walter Mann. I have referred to my own resolution and to my own remarks on the subject. I have referred to Mr. I. Norman Smith. I have referred to the former prime minister, Mr. St. Laurent. Here were these voices in the early and middle fifties saying that 1967 was just around the corner and it was time we got started. Finally, on December 9, 1957, for the first time, in the light of what happens to private members' resolutions, the resolution I read a moment ago was reached for debate. It is interesting to note that as soon as I had moved it and uttered this one sentence: "Mr. Speaker, the resolution which I have the honour to present to the house speaks for itself," there were two interjections which read as follows, as will be found in *Hansard* of December 9, 1957, at page 2084:

Mr. Byrne: It certainly does.

Mr. Pickersgill: We shall take it as read.

After I had made my speech urging the House of Commons, the parliament of Canada and the country generally to begin planning without delay for the celebration of our 100th birthday, the first speaker was Mr. John B. Hamilton, then the member for York West and also the parliamentary secretary to the minister of citizenship and immigration. The whole tone of his speech was that I was wasting the time of the house by bringing in such a resolution and that it was obviously nothing more than a resolution full of ideas which my party wished to see enacted. This was the kind of treatment given to my motion. It did not come to a vote; it was talked out.

It was interesting to read the press reports on the debate which took place that day and to read the headlines which the papers put on the reports. I have here a copy of the Montreal *Gazette* of December 10, 1957, and the headline on the Canadian Press story is: "C.C.F. Urges Bold Plan for 1967 Centennial". We often quarrel with the use of headlines but I am grateful for that headline; I think it caught the spirit of the resolution and of the speeches we made in support of it. The Toronto *Globe and Mail* of that morning ran the same story but gave it this headline: "P.C.'s spurn C.C.F. Plan for '67 Program". Well, I suppose that was a good headline, too, because if the one in the *Gazette* caught the spirit of the resolution, the one in the *Globe and Mail* caught the attitude of the government toward the whole project. Thus it was that back in those days, probably because the idea came from some of us in this minority party, the major parties rejected it. It was then we lost the chance of having a celebration of the kind which the Leader of the Opposition (Mr. Diefenbaker) now says we ought to have. In 1957 the Progressive Conservatives spurned the plan. Finally, however, four years later, in 1961, under the leadership of the hon. member for Prince Albert (Mr. Diefenbaker) who was then prime minister, the legislation we are now being asked to amend was brought in. But it took another year and a half before people were appointed to carry on the work, and about all they have done so far is to look for office space, recruit personnel and make at long last, a decision that the time to start is now.

In the meantime, as far as references to this matter in the house are concerned, very few have been made to the legislation we now have before us. Most of the attention has been paid to the legislation respecting the world fair which was passed last year and, as hon. members are aware, there does seem to be a great deal of turmoil over that. But I suggest the turmoil surrounding the arrangements for the world fair points to the fact that I was more of a prophet than I realized when I expressed the hope in my resolution a decade ago that we would plan this event in such a way as to make sure that when July 1, 1967, came we might have, not just fireworks and speeches, but a land of health and abundance of which we could be justly proud.

I admit I have offered these remarks in a spirit which is something less than hopeful. I think we as a country lost our chance to have a proper 100th birthday celebration because neither the Liberals nor the Conservatives were prepared to look at this thing in the terms I. Norman Smith suggested in his article in the Ottawa *Journal* some years ago or in the terms of the speech which the former prime minister, Mr. St. Laurent made in Hamilton, or in the terms of my motion. Indeed, it might not have been considered at all if the provinces and municipalities, realizing that 1967 was coming, had not pressed Ottawa to give a lead. However, in spite of the fact that my observations have not been altogether hopeful, I do express confidence that because the subject has been raised today and because this question is out in the open and we must of necessity take stock of the situation, we will pull up our socks and begin to do something to make this

celebration a significant one. If we are to do this, it will call for the display of some of the things the Leader of the Opposition talked about, so that our people can see them —souvenirs, mementos of our history. It will call for an awareness on our part of the greatness of those who brought Canada into being and of our responsibility to bring into being a still greater Canada. All of this calls for a lot more than speeches and fireworks; it calls for the kind of social and economic planning which we proposed when we brought this matter up ten years ago and which we still say is the way to build a nation worthy of celebrating its 100th birthday.

I am grateful that the matter has been reopened today so that we have the opportunity to go into it and assess the position, and I hope the whole question of whether or not this will be done on a patronage basis will be brought out into the open. Surely this is no place for patronage. I was glad the President of the Privy Council (Mr. Lamontagne) replied so readily that the present members of the administration would not be removed. I was glad to hear him say that the additions mean just additions, not replacements. I hope a hard look will be taken at the larger group, the conference which is being formed, to make sure that those who are on the committee represent all the streams of life in this country. I must say that when I heard the Leader of the Opposition berating the government for its practice of patronage I wondered who was talking.

**Mr. Diefenbaker:** Remembering what the hon. gentleman's party did while in power in Saskatchewan, he ought to start close to home in that regard.

**Mr. Knowles:** I will come back to Saskatchewan in a moment. Through the efforts of some of my friends in the Progressive Conservative party, the government tabled a couple of interesting sessional papers a short while ago. They were lists of consultants—two lists, one in use by the present Liberal government and one which had been in use by the government which went out of office in April of this year. They are both interesting but I think the old one is more interesting than the new one. Looking at this list—and it is an official document now, sessional paper No. 255, part 1—I find that on page 1 appears the following sentence:

> With regard to Newfoundland, effective immediately, all matters pertaining to Newfoundland will be referred to Mr. James A. McGrath, M.P. and I think at the time of referral he should be supplied with the name and address of the individual who is our normal consultant concerned with the particular problem.

I go over into Ontario, no this is in Quebec, just across the river, and I find an interesting situation there. There the consultant for a certain constituency, the member of parliament for which happened to be a Liberal, was a civil servant. I shall not give his name, except that he was "Dear Tom". Here was a civil servant working for the government of the day, handling the patronage for a particular constituency.

Then I look at Saskatchewan and I find, very interestingly, that the constituency of Prince Albert is listed, and the name of the member of parliament for that constituency is given. We know his name, of course; he is the present Leader of the Opposition. The consultant, the person handling these patronage matters, is listed. I will not give her full name but I will say that the list says she was to be addressed as "Dear Bunny". I thought the Leader of the Opposition was happy to have a dog around the house, but apparently it was "Dear Bunny" when it came to handling the patronage in his constituency.

I hope hon. members will forgive me for this light touch, Mr. Chairman, but I think it necessary after listening to this tirade on the part of the Leader of the Opposition against the present government on the matter of patronage. It is pretty hard to tell which of the two older parties is more adept at that practice. At any rate, I do agree with the Leader of the Opposition that there is no place for it in the administration of our centennial legislation.

Let me say briefly that I can see reasons for increasing the size of the board, as posed in this legislation. I think we should view sympathetically the suggestion that certain changes be made in the title of the legislation and in one or two other places. Like the Leader of the Opposition, I like the word "national"; but if it causes offence in certain places, and we want to achieve unity, let us consider the objection sympathetically. I would go one step further and suggest to the President of the Privy Council that it might even be better—it is not merely a compromise but is better—to change the name to the Canadian centennial act. We are only at the resolution stage, and I should like to ask the President of the Privy Council or the Prime Minister to look at this suggestion. I think we could improve the legislation tremendously and would avoid the appearance that we are avoiding the word "national" if in all places we used the word "Canada" or "Canadian", thus making it clear that what we are proposing to celebrate is the centenary of the confederation of Canada.

I have just one other word to add about the turmoil there is around the use of the word "national". I do not think it hurts us to be reminded that there are those among us who think of Canada as having originally been founded by two nations; that we should take all that into consideration in our attempt today to recast confederation, conserving what we have, and going on to build a better Canada. This matter which is being drawn to our attention, makes us realize that what we have to face is the desire of those in the French speaking part of Canada for a greater measure of autonomy as a French speaking nation and a French speaking group, but not as a province.

Where I think we are in danger of going awry in today's situation is when people like Premier Bennett, and some others, translate this difficulty we are trying to sort out into a case of provincial rights. It is not a reversion to provincial rights that is wanted. We have rather two main groups to consider. We have the French speaking people for whom a greater measure of autonomy seems to be that which they most desire; and we have the English speaking people in the rest of Canada, to whom the benefits of federalism are just as precious as are the benefits of autonomy to the French speaking people. This, I suggest, does not mean that we want to turn our land into a squabble over provincial rights. We have to think of what the two main groups want. I think we can recast and rewrite our constitution so that those of us who so desire can have the benefits of federalism and those who wish can have the benefits of autonomy, up to a point at any rate, within the Canadian family.

I do not think we should be alarmed because the word "national" is brought out into the open in a debate like this. As an English speaking Canadian I like the word. It is a good word. I like this nation to which I belong. But I like the word "Canada" even better. The word "nation" might apply to any one of a hundred nations; but "Canada" is the area, the country, the heritage to which we all belong. Canada is the country we are trying to build for the future, and I think we can build a better Canada if we try to grapple sympathetically with the problem before us, as posed by this particular piece of legislation. I think we can help make for a better future, for a better second century, if we try now to make up for the mistakes we have made in the last few years, and make the celebration of our 100th anniversary what it should be. I have said, and I repeat, that I think precious time, maybe too much time, is being lost. When suggestions were made over the past decade they were ignored. However, there are still three and a half to four years to go, and I think hon. members will realize that some things can still be done. I urge that this stocktaking session we are having be taken seriously, and that we do our best to plan for the kind of centennial which will be worthy of this great Canada to which we all belong.



[*Translation*]

**Mr. Frenette:** May I point out, Mr. Chairman, that it is five o'clock?

**Mr. Gregoire:** One minute before five o'clock.

[*Text*]

**The Deputy Chairman:** It being five o'clock, so that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is now my duty to leave the chair.

**The Acting Speaker (Mr. Batten):** It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills.

## PRIVATE BILLS

### POINTE-AUX-TREMBLES BRIDGE

The house resumed from Thursday, November 14, consideration of the motion of Mr. Rouleau for the second reading of Bill S-41, to authorize the construction of a bridge and a causeway over the St. Lawrence river near the city of Pointe-aux-Trembles.

**The Acting Speaker (Mr. Batten):** Is the house ready for the question?

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** No, Mr. Speaker, I should like to say a few words.

I put a few questions to the hon. member for Dollard (Mr. Rouleau) and I would be very happy if he could answer them. I shall reply later, if the Speaker gives me his consent.

**Mr. Guy Rouleau (Dollard):** Mr. Speaker, if my memory is good—

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. I should point out that if the hon. member for Dollard (Mr. Rouleau) speaks now he will close the debate.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, as I said last week, I think this bill is against the public interest and that it is the responsibility of the members of this house to take the necessary steps to kill it.

**Mr. Gregoire:** That is right.

**Mr. Pigeon:** During the week end, I had the opportunity to conduct a personal investigation, and I am going to put before the house new arguments to prevent the bill from being passed.

As I said before, all works erected on the St. Lawrence river, including bridges, causeways and wharves, are the exclusive property of either the federal government or the provincial government, or of the municipalities.

To date, Mr. Speaker, I do not know of any private concern which owns such works.

Besides, Canadian authorities have always kept a sovereignty over national resources such as the St. Lawrence river. That is why, Mr. Speaker, they have always refused—

[*Text*]

**Mr. Côté (Longueuil):** On a point of order, Mr. Speaker, I think the hon. member for Joliette-L'Assomption-Montcalm has already spoken in this debate and I doubt that he has the right to speak twice.

**The Acting Speaker (Mr. Batten):** Has the hon. member already spoken in this debate?

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, I rise on a question of privilege. I am asking the unanimous consent of the house to allow me, in the public interest, to put forward worth-while arguments which all members of the house will find interesting, I believe.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, we give our consent. Since the hon. member for Joliette-L'Assomption-Montcalm has worth-while arguments that should be brought before the house, we agree that he should put them forward, otherwise this would be closure.

**Mr. Côté (Longueuil):** Mr. Speaker, on the question of privilege—

[*Text*]

**The Acting Speaker (Mr. Batten):** Order. The only condition under which the hon. member for Joliette-L'Assomption-Montcalm can speak again is by unanimous consent of the house.

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

[*Translation*]

**Mr. Gregoire:** Agreed.

**Mr. Caouette:** Agreed.

**Mr. Côté (Longueuil):** On a point of order—

**The Acting Speaker (Mr. Batten):** There is not unanimous consent.

**Mr. Gregoire:** Closure. We will help the hon. member for Joliette-L'Assomption-Montcalm.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, it is indeed very seldom that the federal parliament has to deal with legislation such as Bill S-41 which seeks the authorization to build:

A bridge and a causeway on the St. Lawrence river—linking the shore of 94th avenue, in the city of Pointe-aux-Trembles, Montreal.

As was mentioned a while ago by the hon. member for Joliette-L'Assomption-Montcalm who, I regret, was denied the right to speak—

**Mr. Gregoire:** That is closure.

**Mr. Caouette:** —I feel that any bridge which crosses the St. Lawrence should belong to the federal government, to the province or even to a municipality, under an agreement with the federal government in many cases.

However, there was no need, in my opinion, to ask us to pass a bill of this nature to authorize the construction of a bridge which will give privileges to a private enterprise or even to a private individual.

I will say to the hon. member for Dollard (Mr. Rouleau) that the same thing was done elsewhere. Any time a person wishes to reach the shore opposite his home, he just has to build a bridge without asking the government's permission or without having to present a private bill. He just goes ahead and if the federal government ever needs that land or has to change something to the private bridge, it is not bound by a bill or by legislation passed by the house.

Mr. Speaker, I will read the preamble of Bill S-41:

Whereas Developpement Central Ville de L'Isle Inc., a company duly incorporated by letters patent issued under the companies act of the province of Quebec, has acquired title to, is the owner and has the control of most of the territory of two islands lying within the harbour of Montreal, namely, Isle Ste Therese and Isle-aux-Asperges, most of which territory is presently used as farmland;

It appears that Developpement Central Ville de L'Isle Inc. is the owner and has the control of the lands on Isle Ste. Therese and Isle-aux-Asperges.

Whereas to provide for the full development of this territory, it is necessary to subdivide it into residential—

This has actually nothing to do with the federal government—

commercial—

**Mr. Rouleau:** That is why they want to build a bridge.

**Mr. Caouette:** I hear my hon. friend from Dollard (Mr. Rouleau) say that is why they want to build a bridge.

It is all very well to build a bridge, but I object to a bill which would bind the federal government through the construction of a private bridge. It should be possible to find a way to build a private bridge without binding and tying up the federal government by passing a federal act to that effect.

—it is necessary to subdivide it into residential, commercial and industrial lots, under an elaborate town planning system.

Here again, it does not come under the jurisdiction of the federal government to decide or even consider whether the company in question should have an elaborate town planning system.

That rests with the municipal authorities and the provincial authorities, as is the case in Ontario. Here, in Ottawa, when you talk about town planning, it concerns the municipality and the province, even if the federal government may put forward a few suggestions.

And further on, in the preamble:

Whereas the construction of a bridge and causeway over the St. Lawrence river in the area would contribute to such development and create employment: Therefore Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:

Mr. Speaker, I recognize that the construction of a bridge and a causeway over the St. Lawrence river would contribute to such development and create employment.

Now, what would be the length of this bridge, what would be its approximate cost?

Why is it that the federal government does not build a bridge which would span the St. Lawrence river and reach those islands where, no doubt, houses could be built in residential locations?

We do not object to the construction of a bridge by the federal government, but we are strongly opposed to the construction of a private bridge, with the agreement of the central government, sanctioned through a bill authorizing a company or an individual to become the owner of the bridge.

The first clause of the bill reads as follows:

Subject to the provisions of this act, Developpement Central Ville de l'Isle Inc. is authorized to construct, maintain and operate a bridge—

Mr. Speaker, this should imply that the bridge might be a toll bridge under the circumstances, that the company itself would have the right to establish the toll rate.

**Mr. Rouleau:** That can be amended.

**Mr. Caouette:** So I realize, but it has not been amended. We are discussing Bill S-41, from the Senate.

I continue reading clause 1:

—maintain and operate a bridge on the St. Lawrence river, linking the shore of 94th avenue, in the city of Pointe-aux-Trembles, Montreal, to the shore of Ile-aux-Asperges, and causeway linking Ile-aux-Asperges and the shore of Ile Ste Therese.

At the same time, when referring to the explanatory notes, we find this:

The sole purpose of this bill is to authorize the company to construct a bridge and a causeway over the St. Lawrence river thus making possible the development of two islands lying within the harbour of Montreal.

The lands involved are presently used for farming but the project will make it possible to develop them into residential, commercial and industrial properties.

The bill contains the usual safeguards, namely, that the governor in council must approve the plans and location; the company must observe such regulations for the security of navigation as may be prescribed by the governor in council; and the usual time limits are placed on the commencement and completion of construction.

Mr. Speaker, we, in this corner of the house, cannot give our support to a measure of such importance.

We are in favour of private enterprise, but we recognize that there is such a thing as public property which belongs to the people and, as such, must be protected. Now, when we have a means to cross over a stream from one side to the other, it seems to me that belongs to the federal government, just like the bridges between the north and south shores of the St. Lawrence, be they located at Montreal, Valleyfield, Quebec city or anywhere else. Those bridges do not belong to private individuals or private enterprise but to the government.

As a matter of fact, as I pointed out a while ago, some of those bridges were built thanks to contributions from the municipalities, the provinces and the federal government.

I will now read section 2—

**Mr. Boulanger:** Mr. Speaker, will the hon. member for Villeneuve allow me to ask him a question?

**Mr. Caouette:** Certainly.

**Mr. Boulanger:** During his remarks, the hon. member talked about a bridge linking one shore of the St. Lawrence river to the other. I think the hon. member made a mistake, or else he exaggerated, because it is an island and there can be no question of from one shore to the other.

**Mr. Caouette:** Mr. Speaker, I will reply to my hon. friend from Mercier. The way he put his question, an island would not have any shore—

**Mr. Boulanger:** It is because the hon. member said from one shore to the other, implying "of the St. Lawrence river".

**Mr. Caouette:** Mr. Speaker, whether we go from the north shore to the south shore on

the St. Lawrence river or from the shore of an island to the bank of the St. Lawrence, there is certainly—

**Mr. Boulanger:** There is certainly a difference.

**Mr. Caouette:** Mr. Speaker, whether we start from the shore of an island to get to the shore of the St. Lawrence, there are still two shores, and it takes a bridge to reach both. I regret the hon. member for Mercier does not understand that an island also has shores.

**Mr. Boulanger:** I was merely asking you to be more explicit.

**Mr. Caouette:** Mr. Speaker, I thank the hon. member for Mercier for his attention towards me.

Mr. Speaker, clause 2 reads as follows:

The said bridge and causeway shall be constructed and located under, and be subject to, such regulations for the security of navigation of the said river as the governor in council prescribes. To such end Developpement Central Ville de l'Isle Inc.—

Mr. Speaker, we do not know the names of the directors or those of the shareholders of that company. We cannot find them anywhere.

I read on:

To such end Developpement Central Ville de l'Isle Inc. shall submit to the governor in council, for examination and approval, a design and drawing of the bridge and causeway and a map of the location, giving the soundings accurately, showing the bed of the stream and the location of other bridges, and shall furnish such other information as is required for a full and satisfactory understanding of the subject, and until the said plans and location are approved by the governor in council the said bridge and causeway shall not be built or commenced; and, if any change is made in the plans of the said bridge and causeway during their construction, such change shall be subject to the approval of the governor in council and shall not be made or commenced until it is so approved.

Mr. Speaker, you will admit that I stick to the spirit of the bill, since I am quoting the different sections.

**Mr. Rouleau:** This is a filibuster.

**Mr. Caouette:** And now section 3 reads as follows:

The construction of the said bridge and causeway shall be commenced within three years after the plans therefor have been approved by the governor in council—

We note that this project could be completed in three or four years and I am wondering whether the construction of houses has not been undertaken on these islands called Ile Ste Therese and Ile-aux-Asperges. And I now read on:

—and shall be completed within three years after such commencement; otherwise the powers granted by this act shall cease and be null and void as respects so much of the undertaking as then remains uncompleted.

Mr. Speaker, there is a point which seems to me quite ambiguous and equivocal. It is this:

Otherwise, the powers granted by this act shall cease and be null and void as respects so much of the undertaking as then remain uncompleted.

To build, go across, or do what precisely?

**Mr. Beaule:** A flying bridge.

**Mr. Caouette:** To build a "flying bridge", as suggested by my hon. friend for Quebec East (Mr. Beaule). And further on, in section 3:

Provided, however, that if such approval is not obtained within three years after the passing of this act, the powers granted for the construction of the said bridge shall cease and be null and void.

Mr. Speaker, I think that the hon. member for Dollard, who is a man of ability and good will, should have tried to submit a more serious bill than the one brought forward. In fact, I sat in this house from 1946 to 1948 and never was such a bill introduced, asking to authorize a private corporation or an individual to build a bridge across the St. Lawrence river, or from one bank to an island located in the middle of the river, in order to facilitate the construction or creation, if you prefer, of projects which could be residential or industrial and probably commercial. They do not know exactly where they are going, but nevertheless they want a bridge to go there.

Therefore, Mr. Speaker, we do not intend to let that bill go through if we do not get more information from the hon. member for Dollard, and in order to allow him to supply the information, I move, seconded by the hon. member for Lapointe:

That Bill No. S-41 be not now read the second time, but that it be given a six month's hoist.

**Mr. Guy Rouleau (Dollard):** Mr. Speaker, I sincerely believe that the points raised by the hon. member for Villeneuve (Mr. Caouette) in support of his amendment are not valid. I think we should proceed immediately with the second reading of this bill and, if need be, put the question to a vote. I suggest the bill needs no explanation.

Besides, when the hon. member for Villeneuve says he has never seen such a bill adopted, I think he overlooked a few, because in 1961 the house passed—

**Mr. Caouette:** I was not here then.

**Mr. Rouleau:** In any case, he ought to know about it.

**Mr. Caouette:** It was passed because I was not here.

**Mr. Rouleau:** He should know that in 1961 the House of Commons passed a similar bill which contained almost the same sections as the one which is being studied today. It is the bill concerning the corporation of the Three Rivers bridge; the said corporation was authorized in the same way by parliament to build a bridge over the St. Lawrence river. It is a private company.

**Mr. Caouette:** It has not yet been built.

**Mr. Rouleau:** As far as the St. Lawrence river is concerned, under the Navigable Waters Protection Act, an act of parliament is needed to allow a corporation to build a bridge over the St. Lawrence river, whether the waterway is to be crossed completely or in part.

In this case, it is intended to build a bridge not longer than 500 feet, so that the people concerned may move about on an island which they own. It is nothing more than that.

I am asked today to give the names of the members of that company. I am glad to do so: the president is Mr. Conrad Bock, the director is Mr. Robert Desy, notary, of Montreal and the secretary-treasurer is Miss Denise Cournoyer, also of Montreal.

**Mr. Caouette:** These are the temporary directors?

**Mr. Rouleau:** They are the actual directors of the company. The one who is most interested in that company is the president, Mr. Conrad Bock.

**Mr. Gregoire:** Are there permanent directors in the company?

**Mr. Rouleau:** As far as I know, there are no other directors than those I just mentioned to the house.

**Mr. Gregoire:** Are those three the only shareholders?

**Mr. Rouleau:** To my knowledge, the three of them are the only shareholders in the company. There are no others.

**Mr. Gregoire:** By virtue of what were they incorporated?

**Mr. Rouleau:** By virtue of an act of the province of Quebec.

**Mr. Gregoire:** The first or the second part?

**Mr. Rouleau:** If the hon. member for Lapointe had listened to me when I introduced the bill last week, he would know that I gave all those details. I explained at that time why it was impossible to build such a bridge without going through this procedure.

There is nothing to make such a fuss about. The purpose of the bill is to authorize a company to build, over a part of the St. Lawrence river, a bridge of only 500 feet, to enable the people concerned to proceed with the development of an island near Montreal.

I am convinced that the building of this bridge would help stem unemployment in Montreal and ensure an excellent development in the limits of the city.

In the circumstances, I ask my hon. friend from Villeneuve to be kind enough to withdraw his amendment.

**Mr. Caouette:** Mr. Speaker, may I ask the hon. member whether this bridge will be a toll bridge?

**Mr. Rouleau:** When the company first came before the Senate, its intention was to build a toll bridge. But following the objections that were raised in the committee of the other place, the bill was amended and the company was not authorized to build a toll bridge there.

**Mr. Caouette:** Could the hon. member for Dollard tell the house whether that company is presently operating on the island of Montreal or outside the city? Is the company engaged in some works or in the building of homes?

**Mr. Rouleau:** This island measures about 2,000 acres, 1,737 of which can be used. Out of those 1,737 acres, 1,480 are owned by the company. Moreover, the company has options on the other lands.

So far, the company has applied for the loans required for the construction of that bridge. Therefore the company is operating.

Does that answer your question?

**Mr. Caouette:** Did the hon. member for Dollard inquire from the federal authorities in order to find out whether the federal government would not take the responsibility of building such a bridge to those two islands?

**Mr. Rouleau:** Last week, the hon. members for Winnipeg North Centre (Mr. Knowles) and for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I think, inquired about the merits of a private enterprise erecting a bridge over a stream like the one in question.

Generally speaking, I think the construction of bridges rests with both provincial and federal governments.

The proposed structure will be only 500 feet long and will make possible a private development. In my opinion, it should not be expected that either the federal government or the province will build a bridge for the sake of private individuals. I feel that if the company wishes to develop an island it owns, it should also make the necessary expenditures to get to that island.

Mr. Speaker, if the bill is given second reading, our hon. friends will have every

opportunity of discussing its various clauses when they are examined by a standing committee of the house.

**Mr. Caouette:** We do want to bring up the subject again.

**Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere):** Mr. Speaker, I listened very closely to the remarks of my hon. friend, the hon. member for Dollard, who surely did not put forward very strong arguments in his attempt to disprove the merits of the amendment introduced by the hon. member for Villeneuve.

I do not often agree with the views of that hon. member.

In my opinion, the hon. member for Villeneuve was too conservative this time in asking that this bill be hoisted for six months.

**Mr. Gregoire:** Mr. Speaker, I rise on a question of privilege.

I feel that the hon. member should withdraw his insult to the hon. member for Villeneuve whom he called a Conservative.

**Mr. Paul:** Mr. Speaker, I made no reference to narrow-mindedness. If I had, the hon. member for Lapointe could have thought I was alluding to him. I actually said that the hon. member for Villeneuve had been too conservative in his remarks, because he should have suggested that consideration of the bill be postponed for a much longer period than six months.

In my humble opinion, there are reasons for which this amendment ought to be adopted.

While attempting to refute the reasons the hon. member for Villeneuve had given for moving the amendment, the hon. member for Dollard (Mr. Rouleau) tried to compare the Developpement Central Ville de l'Isle Inc., to the Three Rivers bridge corporation.

The two corporations have been set up for quite different purposes. In the first place, in 1961 the Three Rivers bridge corporation submitted a bill that it was my privilege to sponsor. The object of the bill was not to further private interests but to develop the economy of a whole region, that of the heart of Quebec.

The arguments marshalled then for the passing of that bill were very serious. They rested, first, on the solvency of the directors of the corporation and their business experience; moreover, they asked for the special powers needed, under the Navigable Waters Protection Act, to carry out a project studied many times over a period of years by engineers for the provincial government as well as for private enterprise.

With regard to this bill, the hon. member for Dollard may lack some information, and he might be very interested to learn that the corporation of Developpement Central de Ville de l'Isle Inc. would own approximately 1,400 acres of land on Ile-aux-Asperges as well as hold options on a large section of the rest of it.

I do not know whether the hon. member for Dollard is aware of the facts, but in my opinion, the members of the house ought to be. This corporation requesting special powers from this house today is on the verge of bankruptcy, so much so that the lots were bought four years ago from a mortmain corporation, and no capital and even no interest was paid for them; moreover, legal action was taken against the corporation several times before the superior court in Montreal.

**Mr. Rouleau:** Mr. Speaker, we are discussing the amendment introduced by the hon. member for Villeneuve to the effect that second reading of this bill should be postponed for six months.

I respectfully submit, Mr. Speaker, that the hon. member who now has the floor goes well beyond the limits allowed by the proposed amendment.

**Mr. Pigeon:** Reasons are being put forward.

**Mr. Rouleau:** I should like to have the opinion of the Chair.

**Mr. Paul:** I do not know whether the hon. member for Dollard has been enlightened by the remarks I just made but I am of the opinion that they are in order because I stated at the very beginning that the hon. member for Villeneuve had submitted an amendment for a six months' hoist, and I am now giving the reasons for favourable consideration of this amendment. My remarks concern the proposed amendment and the solvency of the corporation asking the house for the privilege to build a bridge, and the interruption by the hon. member for Dollard will not divert me from the subject I intend to deal with.

On several occasions the company was sued before the superior court in Montreal, and often threatened with seizure and sale of its properties by the sheriff. This mortmain corporation whose name I shall not reveal, has paid its creditors to keep a mortgage on the properties sold. In addition, Mr. Bock, the president of the company sponsoring this bill, is insolvent as you will find out by inquiring from the St. James street branch of the Bank of Montreal where you will be told that Mr. Bock is unable to manage his business.

It might be a good thing to grant special powers to a corporation but not to insolvent individuals.

I believe that this would be a colossal mistake. Besides, the hon. member for Dollard could perhaps try to disprove the statement that the municipal council of Pointe-aux-Trembles, at their meeting of November 4 last, refused to approve the construction of that bridge because they were well aware, undoubtedly from the information received, of the hazards of unfair use of that bridge, because the powers that would be given the corporation would be practically unlimited and Ile-aux-Asperges would become a closed island, since it would then be left to the whim of the directors of that corporation to impose burdensome charges. Now, Ile-aux-Asperges being closed, its residents would have to suffer inconvenience beyond any limit compatible with individual freedom.

And that is not all. Supposing for a moment that this company could benefit from the passing of this bill, it would go before its creditors and say: "We now have authorization from the federal government to build a bridge". It would then borrow money, not to start the construction of the bridge but rather to pay off old mortgages which have not been reimbursed for four years and it would carry on with the construction of the bridge over a period of more than three years.

Then, the company would be forced to come back before us and ask for an extension of the same powers for another period of three years, but in the meantime, the creditors would not get more benefits, because this bill is introduced for the sole purpose of paying off the debts of that corporation.

The directors mentioned are unknown in financial circles, except for Mr. Conrad Bock who is recognized as being insolvent. Among the others, Miss Cournoyer has been mentioned, and I do not think that she ranks among the business personalities of the metropolis. As for the other director, I have forgotten his name.

In short, it is dangerous to grant to an insolvent company the means to recover funds which will be used for other purposes than those for which they would be granted.

The municipality of Pointe-aux-Trembles is justified in objecting to the construction of the bridge.

**Mr. Gregoire:** Would the hon. member allow me a question?

**Mr. Paul:** Certainly.

**Mr. Gregoire:** Is the said Mr. Bock who has just been mentioned by the hon. member for Berthier-Maskinonge-Delanaudiere a director of Eagle Lumber Company?

**Mr. Pigeon:** No, no.

**Mr. Paul:** No, I think that the hon. member for Lapointe is referring to Mr. Germain Bock.

**Mr. Pigeon:** This is not at all the same thing.

**Mr. Paul:** It is not the same Bock, he is not interested in the same business, because the one of whom we are speaking today is well known in legal circles, while the hon. member for Lapointe is referring to a gentleman who is well known in financial circles and his reputation is much above that of the fellow of whom we are now considering the solvency.

The corporation of Pointe-aux-Trembles has good reasons to object to parliament giving the power requested by Developpement Central Ville de l'Isle Inc. And why? Supposing a residential centre were established on Ile-aux-Asperges and that the company became insolvent—anyway it could not become insolvent, for it is already so. But supposing it were publicly confirmed at that time, the municipality of Pointe-aux-Trembles would have to assume the cost of building approaches to the bridge, of lighting and maintenance, and everything would fall back upon the taxpayers of the municipality of Pointe-aux-Trembles which would have to pay a rate not yet established, for using that bridge, as long as the company exists.

Now, Mr. Speaker, I think this would be by-passing the authority best placed for judging the matter, that is the very municipality of Pointe-aux-Trembles which knows the site, the possible advantages and disadvantages of building that bridge and certainly also the standing wealth and solvency of the company directors. As a matter of fact, the municipal authorities are afraid that, if services, once established, cannot be continued, the principals, that is the present officers of the corporation of the municipality of Pointe-aux-Trembles will have to carry everything.

I am convinced it would ill beseem parliament to award jurisdiction over the St. Lawrence river, which is an international waterway, to a private concern. It would be the first time the parliament of Canada passed a bill supporting a private enterprise in the full meaning of the term.

The Three Rivers bridge corporation, Mr. Speaker, cannot be compared in any way with this company. The Three Rivers bridge corporation is having quite a hard time to carry out its project, even though its members are very capable businessmen. The whole district of Three Rivers, Drummondville, the north shore and the south shore will benefit from that bridge.

Mr. Speaker, the object of the present bill is to favour a strictly private company engaged in housing development on an island in the St. Lawrence river. The bridge in Three Rivers will connect both shores of the St. Lawrence, whereas we are being asked today by the Developpement Central Ville de l'Isle Inc. to authorize the construction of a bridge and a causeway to connect one shore of the St. Lawrence to an island known as Ile-aux-Asperges.

Moreover, Mr. Speaker, we would have liked very much to know whether this company has complied with the Quebec companies act, first of all, and then, whether it has submitted every year a statement of its operations and is still in existence, because otherwise, we would be providing a company with a dangerous weapon.

In my opinion, in view of the financial situation of the directors of the company, and in view of a new situation which would be created because it would be the first time that extraordinary powers would be granted to a private company, I am convinced that parliament would not act in a businesslike manner.

I am of the opinion that we should "buck" this bill. We should take all necessary steps to support the amendment of the hon. member for Villeneuve, who was very generous a while ago, I am sure, by refraining from simply asking for the six months' hoist. Hence, I shall be glad to support the amendment of the hon. member for Villeneuve (Mr. Caouette), for the reasons he indicated and also for the reasons which were forwarded to me, urging me to object to the carrying of the bill.

I am quite aware of the fact that the sponsor of this bill in the house is a very active hon. member, but I think he somewhat missed out in failing to get all the necessary information concerning this project. Had he known the true financial position of this company, I am sure he would have never come before the house as sponsor of this bill.

I think we should simply and solely reject this bill, but first we should take a decision on the hon. member for Villeneuve's amendment, which I hope will get the support of the majority of the hon. members.

[*Text*]

**Mr. Reid Scott (Danforth):** Having listened to the debate so far I wish to voice our support for the amendment moved by the hon. member for Villeneuve (Mr. Caouette). Indeed, I would urge that the sponsor of the bill dissociate himself from this scheme.

I think the comments made by the various speakers have overwhelming convinced us—certainly, they have convinced me—that this is a most improper piece of legislation and that we are getting into an area in which parliament should not venture. I am not against free enterprise or private enterprise but this is one area where we should not be giving a private company the right to enter into an undertaking of the sort we now have under consideration. I would appeal to hon. members on the other side who may be thinking of voting in favour of this bill—I can tell by their smiles that some of them obviously are—to consider exactly what principle they may be endorsing if they do so.

The last speaker drew attention to what I consider to be an insurmountable obstacle in the way of the bill. If this company is as weak as it is said to be, what are we going to do if, six months after being given this power it goes bankrupt? What about the people who buy homes on this island? We have no guarantee that they will not be at the mercy of this company. We have no means of knowing the company will not misuse its powers to control public access. It looks to me as though this is nothing but a land speculation scheme and that once the company secures these powers and gets permission to build this bridge there is nothing to stop it selling the whole scheme at a profit, stepping out and reneging on its obligation to build the bridge, thus making a fool out of parliament.

If a bridge is to be built, surely it should be built by public authorities, either municipal or provincial, and be under public ownership. Let the people who own the land get advantage from better access to it. We all know that once a bridge is built the value of the land will rise. These speculators are the ones who will make the killing, not the people who bought the land originally, lived on it, and probably paid for it. I do not think parliament should concern itself with such a speculative undertaking. I was interested in what the last speaker had to say about the individuals who were undertaking this venture. Their financial solidarity is very questionable. If people of this type are even contemplating a venture of this sort we should have nothing to do with it, because we would be assisting them to get into a situation which would reflect on us and on the municipality. I was also interested to hear that the local municipality itself was opposed to this project. Surely, that should carry some weight with members of this house.

This is not a government measure so we can look at the matter dispassionately and in a non-partisan manner. If the local municipality is opposed to the measure on what appear obviously to be good grounds, how can

we go against them and support this principle? As far as we are concerned, Mr. Speaker, we will oppose the bill, and I hope all hon. members will do the same. It seems to me that, rather than give the bill a six months' hoist, it would be preferable to kill it completely at this time.

[*Translation*]

**Mr. Prosper Boulanger (Mercier):** Mr. Speaker, contrary to my hon. friends opposite, I must congratulate the sponsor of this bill.

As far as the amendment is concerned, I find it amazing that it is the members of the official opposition in the house, who have no interest whatsoever in that riding, that seem most interested in having the bill postponed, for that is obviously what they are trying to do.

**Mr. Pigeon:** May I ask the hon. member a question?

**Mr. Boulanger:** I am going to do like the hon. member for Joliette-L'Assomption-Montcalm. I will not allow him to ask a question because his question would be silly, as we know. Besides, he only wants to delay me, knowing that I have only a few minutes at my disposal.

Now, Mr. Speaker, I am from the constituency of Mercier, where this project is to be carried out. I wish to state that the so-called inquiry which was presumably made by my hon. colleague for Joliette-L'Assomption-Montcalm and submitted to my hon. colleague for Berthier-Maskinonge-Delanaudiere (Mr. Paul) is not worth much. A few moments ago, I saw the latter reading certain documents, and I had occasion to observe the legerdemain that went on. In any case, Mr. Speaker, and contrary to the conclusions of the inquiry made in the county by my hon. friend, the inquiry which I made myself with some colleagues gave us the proof that the allegations we have just heard are erroneous. We know, for instance that the municipality of Pointe-aux-Trembles is not against the project, and I have correspondence to prove it.

**Mr. Paul:** Mr. Speaker, I rise on a question of privilege. Speaking on this bill, I have referred to the proceedings instituted against the company, and my statements can be verified in the record office of the superior court in Montreal.

The hon. member for Mercier does not have the right to contradict another member—

**Some hon. Members:** Oh, oh.

**Mr. Paul:** —I feel that he does not have the right to question my statements; first of all, he may not contradict another member; besides, my statements can be verified at any time in the record office of the superior court in Montreal.

He has no right to impute intentions to me; he does not have the right to create the impression that this bill is no concern of ours. Where public administration is concerned, it is the duty of every member of the house to take part in the debate, and not just the privilege of the member for the constituency directly concerned.

**Mr. Boulanger:** Just as I thought: there is no question of privilege. It was merely an attempt to distort my words.

As I was saying, several of my colleagues have mentioned the municipality of Pointe-aux-Trembles as being opposed to the project. That is what I spoke about and nothing else. I said nothing of the remarks concerning legal action. However, as far as the attitude of the municipality of Pointe-aux-Trembles is concerned, I have looked into the matter myself and I have found that it has never opposed the project.

Indeed, it could not protest at this time; if it wishes to do so, it will have the opportunity of making representations when consideration is given to the technical aspect of the project since the question of the bridge approaches is the only one which concerns Pointe-aux-Trembles. As far as the islands in question are concerned, they come under the town of Varennes as part of its territory. Consequently, the investigation carried out by my opposition colleagues has nothing to do with Pointe-aux-Trembles. The project comes under the jurisdiction of Varennes on the south shore.

The municipality of Pointe-aux-Trembles was only interested in the approaches to the bridge, as they were to open on 94th avenue in Pointe-aux-Trembles, and it wanted to be sure that the approaches would be built in a proper location, without any prejudice to anyone. On the whole the municipality of Pointe-aux-Trembles, contrary to what my hon. friend has alleged, never expressed official opposition to that project.

Now, as concerns the solvency of the corporation, wishing to build that bridge, my learned friend is a lawyer and he knows very well what he should do in all that concerns legal procedures. Personally, I know nothing about that. I can only speak of the project itself.

Should this project be developed—knowing what prices are asked for lots available on the island of Montreal—you can readily imagine what it would mean in my constituency of Mercier and to its 281,000 residents. Such a project of residential development, low cost housing and lots would certainly

be appreciated by both the labourers and the white collar workers, or middle class people.

Now, in my opinion, those lots would be much cheaper than those on the island of Montreal.

In my constituency, there is a considerable number of unemployed. And this is the very kind of development that would give work to hundreds of workers. Also, this would allow the constituency of Mercier to expand. And let me add that it is a beautiful constituency, perhaps the finest on the island of Montreal.

**Mr. Gregoire:** It would be a shame if it could not remain as it is.

**Mr. Boulanger:** I thank the hon. member for Lapointe. That is why I was elected with a majority of 14,000 over the Social Credit candidate who ran second.

Mr. Speaker, may I call it is six o'clock?

**Mr. Deputy Speaker:** Order. The hour reserved for private members' business having expired, the house will now revert to the business interrupted at five o'clock.

[*Text*]

## NATIONAL CENTENNIAL ACT

### AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

The house resumed consideration in committee of the following resolution—Mr. Pearson—Mr. Lamoureux in the chair:

That it is expedient to amend the National Centennial Act to change its short title from the National Centennial Act to the centennial of confederation act and to change the title of the national centennial administration to that of the centennial commission; to provide also that the centennial commission shall consist of a commissioner, an associate commissioner and not more than twelve directors in lieu of eight directors and to provide further for certain administrative changes in connection therewith.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

**Mr. Frenette:** Mr. Chairman, the resolution now before us aims at amending in some ways the National Centennial Act and comprises three main points.

First, it is proposed to change the present title to that of centennial of confederation act.

Second, it is proposed to enlarge the agency's powers, to increase the number of its directors from eight to 12, and to designate an associate commissioner.

We believe, Mr. Chairman, that the new title is better as it is more adequate.





In my opinion, the Canadian nation has been in existence for a much longer period. This change is the result of representations made by the province of Quebec and for once, the President of the Privy Council (Mr. Lamontagne) has paid attention to the claims of Quebec. This is an auspicious event and it is to be hoped that this happy experience will be more often repeated from now on in other fields.

As for the extension of powers, we understand that the commission, in order to be efficient, must be free from certain restrictions and enjoy a degree of freedom; consequently, we are willing to give it some discretion—comparative discretion, of course —but we are also asking its directors to keep the members of the house informed of its activities and the steps which will be taken for the organization of the centennial celebrations. We rely entirely on the minister responsible for this commission and we are convinced that he will take the necessary action.

As to the section concerning the appointment of other members on this commission we are no longer against it since the minister has formally committed himself not to make of this commission a refuge for displaced or hard up politicians. We understand that the reason for appointing other members is to make the commission more balanced in that it will be more representative and the views of various parts of the country will carry more weight.

Canada is made up of different elements with varied origins, and we should use every possible means so that this anniversary is truly a Canadian celebration.

But, as the hon. member for Winnipeg North Centre (Mr. Knowles) said this afternoon, there is little time left. We have lost precious moments. And if we want to celebrate our centennial with more than fireworks and a parade, it is urgent to get to work without delay.

Less than four years separate us from 1967. And if we want these celebrations to have a tomorrow, if we want to leave our descendants concrete proof of our faith in the future of our country and of our appreciation of things that have been accomplished, it is high time to do something.

Energetic measures must be taken immediately. Here I might add that if those measures were taken immediately, they might not solve the unemployment problem, which is so acute in our country today, but they would be temporary steps that might alleviate it to a great extent.

Let us improve our country, our provinces and our municipalities. Let us take every

possible means to encourage the initiatives of private citizens, organizations and companies.

Our people do not lack initiative and if they feel that their efforts have the support of an agency like the centennial commission, I am convinced they will do things of which the Canadian nation will be proud.

Let us put the celebrations to good use and show the world at large that we are a great nation, that we have the makings of greatness.

It goes without saying that the centennial celebrations will be a festival of remembrance. We will have to bring back to life the history of our land. Let us not lose that occasion to pay our forefathers the tribute they have so richly won by their work and their perseverance. We will take advantage of the celebrations to proclaim far and wide the merits of all those who have made confederation, of those who have built our Canadian nation. I am thinking here of the members of the liberal professions, of the workers in all fields of human endeavour, of businessmen and industrialists, in short of all those who have built Canada as we know it today.

I think, however, that we must put to profit the few years left to prepare ourselves for the celebrations with dignity, by pooling our resources and putting behind us all spirit of partisanship, in order to reach this national maturity essential to the survival of any nation which wants to forge ahead and play an important part on the world stage.

There is a lot to do in the meantime. In the east as in the west of Canada we hear conflicting voices. Various groups are trying to destroy the ties which bind together all Canadians; these groups are, I think, in a certain sense, pursuing a noble ideal and their mission is not altogether without merit. But I sincerely feel that it would be wrong to preach anything which might divide us at a time when we are witnessing numerous examples of solidarity and of unity in the world.

We should not overdo anything, as some dissident groups would like us to. We should try to find out what could bring us together rather than divide us.

We should approach our problems in the same spirit which brought Canada into being, and I am satisfied that it is possible to achieve, whatever the more pessimistically inclined may think.

There are many good elements in this country, and as long as we may count on the sincere good will of our English and French fellow citizens, there is room for hope.

One of the best ways of marking the centenary of our confederation would be, I think—and, on this point, I am pleased to recall the definite undertaking of the Prime Minister—to bring all Canadians under a single and distinctive flag and hear our national anthem, "O Canada", sung in Quebec as well as in Vancouver or Halifax.



Should we not also avail ourselves of this anniversary to bring our constitution home, so as to enjoy at last, the full powers of a truly adult nation.

If we really have the will to do so, if all Canadians want to come together and hold out their hands in loyalty to each other, I am convinced that all those prejudices, whether well founded or not, which are separating us at this time, will spontaneously disappear. Mutual respect and full enactment of the British North America Act are the best means to make Canada a great country and the two nations of which it is composed, happy people and model citizens.

**Mr. Caouette:** Mr. Chairman, while confederation is being discussed in all parts of the country, we are dealing with a resolution to change the title of the National Centennial Act to that of the centennial of confederation act, which I think is much more appropriate, when we refer to confederation, than was the designation "national centennial".

In fact, as we have heard it said so many times and as the Leader of the Opposition (Mr. Diefenbaker) stated himself this afternoon, the nation has existed for well over a hundred years. Indeed, Canada was discovered in 1534, that is to say 430 years ago. And as far as the French Canadian element is concerned, this represents four centuries of history which, I hope and believe, we shall be celebrating in 1967 at the same time as the centennial of the Canadian confederation.

Today, we can read and read over our history since 1534. Of course, we find in it satisfactions and disappointments, but it reminds us also of some facts which undoubtedly prove that our forefathers were eager, from the very beginning of the Canadian colony, to create or build, if you prefer, a country such as we have today within which, at least, understanding should prevail.

Our missionaries and nuns who came to Canada between the years 1500 and 1700 had to cope with the Indians and to conquer a land, a country, an heritage for our forefathers, as well as for ourselves who live in Canada today.

Mr. Chairman, many of our forefathers fought for commendable aims; they fought in order that their unity, their freedom, their faith and their tongue might survive. For instance, we read in our little History of Canada the feat of arms accomplished by Dollard des Ormeaux at Long Sault where, with 16 companions—

**Mr. Rouleau:** That is why we have the riding of Dollard.

**Mr. Caouette:** Mr. Chairman, as my good friend from Dollard (Mr. Rouleau) just pointed out, that is why we have the riding of Dollard.

Our little History of Canada relates the memorable feat of arms of a fellow countryman and his companions who then saved Ville Marie, which is now known as Montreal.

**Mr. Boulanger:** Against the Iroquois.

**Mr. Caouette:** Mr. Chairman, the hon. member for Mercier (Mr. Boulanger) says that Dollard des Ormeaux fought against the Iroquois. In some parts of the country, we still have to face the Iroquois, even in 1963.

On the other hand, I must say it all depends on which corner of the house the interruptions come from. When they come from a certain corner, which reminds me very much of the little Chicago of the years 1947 and 1948, it rather smells of the Iroquois, Mr. Chairman.

We read and still read in our History of Canada about all those victories which have been remembered.

In fact, we should remember the years 1830 to 1842, when La Fontaine was a champion of the rights of French Canadians, and when we also had the support of English speaking representatives, especially Mr. Baldwin. Then we realize that at the precise moment when the two largest elements were shaping the nation, Lower and Upper Canada already recognized the urgency of an agreement and also of understanding and co-operation between the two great races which make up this country.

Mr. Chairman, certainly there were frictions, even battles, but nothing prevented men of goodwill from finding common ground permitting co-operation.

Mr. Chairman, I think that the people of the province of Quebec have given proof that they love their native land, not by encroaching upon other people's rights, not by minimizing the rights and freedom of other people. As far as I know, we have never interfered in any way with the freedom of English Canadians who were and still are one of the main elements of our confederation.

Mr. Chairman, there are also citizens who do not understand and who do not want to understand the urgency of an agreement based on the mutual respect of the two main elements which constitute our nation. That is the reason why, instead of calling the 1967 celebrations the "centenary of the nation", we shall call them the "centenary of confederation".

As I was saying, Mr. Chairman, there are in this country elements on both sides who do not want in any way to recognize the dual nature of the Canadian nation: we have them on the French side, and we also have them on the English side. For instance, the other evening, I received a telephone call from one Mr. Cliff, born in Montreal, but now living in Ottawa, who abused me as follows: "Well, you Socreds what do you want? You are constantly asking for concessions. Do you think that you can build a nation always on concessions?" I replied: "My dear friend, what concessions are we asking of the rest of the country? What concessions are French Canadians asking of the federal government? We are not asking for concessions. We do not want more at the expense of others. We just want to regain possession of what is rightfully ours."

Mr. Chairman, can you give me one instance in history where French Canadians asked for concessions at the expense of others? We have never done that and we will never do it. However, we continue to insist on equal rights within confederation.

Coming back to my friend, Mr. Cliff, who was telephoning me, I said: "Give me an example of a concession we are asking for". And he told me: "You want to force my children to speak French."

Mr. Chairman, whether it is in the province of Quebec or elsewhere, French Canadians have never forced anybody to speak French, any more than we are compelled to learn English in the province of Quebec. If we have learned English, it is because we wanted to, but nobody forced us.

The same applies today in the province of Quebec with regard to the way in which Anglo-Saxon minorities are treated. When an Englishman from any part of the country comes to the province of Quebec, we greet him in both languages. In our province, government advertisements and posters of all kinds are written in both English and French. We do not have to be bilingual in Quebec, no more than people have to be bilingual elsewhere. However, I think that French Canadians and the province of Quebec have proved, by their courtesy, that they are interested in the national unity of Canada. That is why we give the same privileges to minorities, in our province, in Catholic French Canada.

Mr. Chairman, we are not asking for concessions, but we are making suggestions.

I went to Toronto recently and spoke in Osgoode Hall, and also before the Canadian club in Sarnia. I was warmly welcomed by English speaking Canadians, by people who are endeavouring to understand us. Please believe me that such attitude is greatly appreciated.

We are told sometimes, in certain parts of the province, that out west or in Ontario, people would not sing the national anthem.

When I spoke in Osgoode Hall and in Sarnia, at the very beginning of the meeting, the national anthem "O Canada" was sung. I was impressed and happy to find that English speaking people realize exactly what our position is. We must feel at home everywhere in Canada.

Mr. Chairman, we suggested recently to the provincial authorities of Ontario, Saskatchewan and Alberta to give their French Canadian minorities the same treatment which is given to the English minorities in our province, in Quebec. There is no discrimination in the province of Quebec and I proclaim this loudly all across Canada.

In my own city of Rouyn, 15 per cent of the population is English speaking; 85 per cent of the population is French, but nevertheless there is no discrimination, as far as schools or the treatment given to everybody are concerned. We feel we are all of the same family. I pay taxes which help to finance Protestant schools and I am glad and satisfied to do it, because I am helping my fellow citizens, human persons, to acquire the knowledge they need to face life.

Mr. Chairman, those feelings do not exist in your own constituency which includes Cornwall, because there are French Canadians who are not treated like the English Canadians in the province of Quebec.

Mr. Chairman, we suggest that the other provinces should adopt an attitude similar to ours, in the province of Quebec. I think that we would thus achieve a better understanding, a greater harmony, between the two great races of our country, Canada.

Quite recently, the Prime Minister very rightly said:

> Confederation is the creed conforming our faith in the future of a united Canada.

It was also a declaration of independence with regard to the United States. And that has prevailed since confederation, in 1867.

We decided to go our own way on this continent, from sea to sea—not only with regard to that part of Canada which is Quebec, not only for that part which is British Columbia—but from sea to sea, first of all, as a part of the British empire, and later as an independent member of the commonwealth of nations.

That declaration, though significant in its implications, is true; it should be respected by the ten provinces which make up today our Canadian nation.

We knew that such a declaration, based on such a belief, would carry with it an economic price. At that time, we were ready—and I hope we still are—to pay that price, the price of being Canadians.

How well advised was the right hon. Prime Minister to make that statement—such a fundamentally Canadian statement, respectful of both elements, of all Canadians who have accepted that sacrifice to build up a Canada which some elements are trying to destroy. We must oppose the destruction of this country, yes, but by taking action and assuming our responsibilities. We should not try to escape those responsibilities, more particularly at this time, when we are only a few years away from our centennial celebrations.

Mr. Chairman, the right hon. Prime Minister added:

> However, confederation entails another price which many among us are either willing to forget or unwilling to pay. Confederation meant not only rejection of political and economical annexation by the United States, but also of the American concept of the "melting pot", which creates that country's national unity.
>
> From a technical point of view, confederation has perhaps never been a treaty between states, but it was an agreement, an understanding between the two races which founded Canada, based on the principle of an acceptable association on equal terms.

That is the very basis of the confederation of 1867.

That is the spirit of the constitution, as that of confederation itself, which was established by the founders, among which were Macdonald and Cartier.

> The agreement stipulated that national political unity would be realized and maintained without—
>
> —without—
>
> —without the imposition of a system of racial, cultural and linguistic uniformity.
>
> However, that agreement was more academic than real.

An agreement on paper, a hazy agreement. They forgot to realize it. They forgot, in other terms, to respect the full and entire letter of the agreement.

> Outside the province of Quebec and as Canada was developing, it was more often violated than kept, and for reasons that are easily understood.

Mr. Chairman, that is what the right hon. Prime Minister, head of the government of which the minister, the President of the Privy Council, is a member, accepts and displays here, squarely, before the whole nation:

> —that agreement was more academic than real. Outside the province of Quebec, and as Canada was developing, it was more often violated than kept—

That is the grievance French Canadians utter today. Not that we ask concessions, no, I state it again, we do not want concessions, we simply want the respect of the letter of the confederation established in 1867. I shall not say, however, if that letter was not respected, if that basis, that foundation was not respected, that it was entirely the fault of English Canadians. No, far from it, Mr. Chairman. I would put on the shoulders of the

French Canadians their share of the blame, especially those French Canadians from the province of Quebec who sat here, in parliament, and who, instead of working in the interest of this Canada of ours, blindly followed the party which ordered them not to say a word and not to claim full respect of our rights.

**The Chairman:** Order. I have been hesitating for some time to interrupt the hon. member during his interesting remarks, but may I remind him now that he should stick as much as possible to the terms of the resolution which is presently before the committee. The question under discussion is not the principle of the legislation we want to amend, but rather the very terms of the amendment. I urge the hon. member to try to restrict his remarks to the terms of this resolution.

**Mr. Caouette:** Mr. Chairman, I thank you for your suggestion that I should deal strictly with the spirit of the resolution now under discussion. I should like to point out, however, that this afternoon the leader of the official opposition, as well as all the others who took the floor, almost without exception, referred to Canadian history.

**Mr. Lamontagne:** Except me.

**Mr. Caouette:** I shall try to restrict my remarks to the resolution as far as possible, but I would ask you to be lenient towards me and to give me enough scope.

Mr. Chairman, the Prime Minister also stated, and I think this has to do, after all, with the celebrations to be held in 1967:

For French speaking Canadians, confederation set up a bilingual and bicultural nation.

All French Canadians feel strongly about this, whether we sit on this side or the other side of the house. I see that my hon. friend from Matapedia-Matane (Mr. Tremblay) is smiling. He knows that we are right. It is a fact that for us, confederation set up a bilingual and bicultural nation.

It protected their language and their culture throughout Canada.

It meant association, not domination.

As far as association is concerned, we are of course quite ready to co-operate, and to take part in that association. But as far as assimilation or domination are concerned, we reject them both.

The Prime Minister said further:

French speaking Canadians believed that such an association would give the two founding races equal opportunities to take part in the various stages of the development of Canada.

That is indeed what the French Canadians believed and still believe today.

Mr. Chairman, on December 17, 1962, the Prime Minister stated also:

Certain recent developments clearly indicate that we are going through another serious crisis as regards national unity. We became a nation long ago, but we still have not reached an agreement on all the symbols of nationality; even worse, in certain circles, doubts are expressed about the very principles on which our confederation rests.

In certain of our western provinces, and in some parts of the maritimes, the equality of the two great Canadian races, of the two great ethnic groups which form our nation is often denied, under the pretext that there is in Canada an English speaking majority and a French speaking minority, and that we should not expect therefore to be treated otherwise than as a minority.

Mr. Chairman, we firmly believe that throughout Canada minorities are treated equitably, even the French minority. But outside of Quebec, the French minority is not put on an equal footing with the English-speaking majority, while we, in the province of Quebec, do put on an equal footing the English speaking minority.

Professor Frank H. Underhill, quoted by the Prime Minister, said recently:

"It is unfortunate to note that we seem to drift without compass. We have lost this conviction of national determination which inspired our forebears in 1867...We are feeling our way to recover the sense of greatness which inspired us in the days of yore...The present times call for an unfailing intellectual effort of a higher degree, a sense of imagination more spirited a state of mind more experienced than what we had to exert in the past."

Mr. Chairman, was it not the main purpose of confederation to establish mutual respect between the two great cultures and to preserve this British land in America, that is to avoid annexation to the United States.

And speaking of concessions which have been made, I believe that French Canadians have done more than their share in the past. I will give a few examples, not to prove that those people were wrong throughout their lifetime, but that as far as the principle of co-operation is concerned, they were gradually overrun by the will of the majority in Canada.

I only wish to give a few examples from history, as for instance the murder of Louis Riel, the champion of French influence in the prairies.

One might mention also the capitulation of Cartier himself, in 1871, concerning schools in New Brunswick. Those were concessions on the part of French Canadians, but they were made under pressure from the majority that was trying to assert itself at that time.

And what about the capitulation of Sir Wilfrid Laurier in 1905, on the Manitoba school question?

Then there was conscription imposed upon the French Canadians in 1917, which meant defeat for the Conservatives during a good

many years, because French Canadians never forgave them for breaking their word.

There was conscription imposed upon French Canadians in 1942 by the Liberals, under Mr. Mackenzie King, when French Canadians in Quebec had been promised explicitly that never, under a Liberal administration, would a Canadian province be subject to conscription.

That is why, at that time, the prime minister of the day, Mr. Mackenzie King, was asking the Canadian provinces—

**Some hon. Members:** Order.

**Mr. Caouette:** —to release him from a promise he himself had made to French Canadians of the province of Quebec.

There was this federal infringement, and for the information of my good friend the hon. member for Cochrane (Mr. Habel), those are facts and not reproaches, facts that I am bringing forward in order to prevent those things from happening again and to do away with discrimination.

This federal encroachment, in wartime, on the rights of the provinces in the field of personal income tax, corporation income tax, succession duties, rights which the government no longer wants to return to the provinces, is another example of a concession on the part of the provinces.

**Mr. Lamontagne:** May I ask the hon. member a question?

**Mr. Caouette:** Certainly.

**Mr. Lamontagne:** Is the hon. member for the resolution?

**An hon. Member:** He is reading Mr. Pearson's speech.

**Mr. Caouette:** No, I am not reading your leader's speech.

For the information of the President of the Privy Council, I will tell him that I am for the resolution, but if he will listen to me for a few moments, I will tell him why—

**An hon. Member:** Are you mad?

**Mr. Caouette:** I am explaining the reasons which lead me to share the opinion of the President of the Privy Council on the resolution presented by the Prime Minister, but my good friend, the President of the Privy Council, should be a little more patient. We heard him for two minutes this afternoon and we might have thought that he had been speaking for two hours. He should leave us some latitude.

Mr. Chairman, the matter of provincial rights which the central government took over during the war years—and will not relinquish now—will be discussed at the federal-provincial conference next week.

[Mr. Caouette.]

We have our small share in the federal civil service, in the contracts awarded by the government. Ottawa is, so to speak, the supreme court and it usually takes advantage of any matter that sets it against the provinces. In my opinion, another resolution to institute a court that would respect the provinces' rights is needed.

Mr. Chairman, like everyone else, we want to celebrate the centennial of confederation in 1967. Within three years, it rests with us to make of 1967 a year that will be favourable to the celebration of a centennial that will attract the attention of the whole population, throughout Canada; otherwise, in the meantime, we might see the rise of separatist, independentist movements, even fasting movements, not only in Quebec but in Ontario. As a matter of fact, we may even ask ourselves if we will not see the rise in Ontario of movements that will send us—as happened in the past—a thousand dollars, telling us: Get out of confederation.

Well, that is not what we want. We want to respect the meaning of confederation, we do not want that meaning to become saturated with prejudice but fully understood by all the members in this house. If, before 1967, we join hands—

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

**Mr. Pigeon:** Mr. Chairman, I feel that our leader had good reason to worry, during this debate, about certain appointments to the centennial commission. Obviously, we should celebrate the centennial of confederation and not that of a political party.

Therefore, in the national interest, I would ask the minister to reconsider those appointments so that the commission will be national rather than political in its scope and membership.

I feel the commission is too important for the minister not to revise the appointments.

Mr. Chairman, certain changes will have to be made—

**Mr. Lamontagne:** Would the hon. member allow me a question?

**Mr. Pigeon:** Mr. Chairman, if the minister will be so good as to let me complete my remarks, he will have all the time he wants to speak later on.

At any rate, he was one of the first to speak and to criticize me indirectly. There is some mumbling on the other side of the house and I would ask the minister to let me speak; if he wishes to ask me some questions, he may do so when I am through.

**Mr. Côté (Longueuil):** Mr. Chairman, I rise on a point of order.

**Mr. Balcer:** On the point of order, Mr. Chairman, I wish to point out that the hon. member is not speaking from his seat.

**The Chairman:** Order. I would suggest that the hon. member for Longueuil take his seat when the chairman rises.

I should also like to remind the hon. member for Three Rivers that a member can speak from a seat other than his own since we are now in committee.

**Mr. Côté (Longueuil):** Mr. Chairman, I rose on a point of order.

**Mr. Pigeon:** Am I the one who has the floor?

**Mr. Côté (Longueuil):** It is the chairman who will rule on the point of order.

**The Chairman:** Order.

**Mr Côté (Longueuil):** How could the appointments be revised when they have not yet been made?

**The Chairman:** There is no point of order here and I would ask the hon. member for Joliette-L'Assomption-Montcalm to continue his speech.

**Mr. Pigeon:** If no appointment has been made yet, I wonder how those people could meet. Perhaps the hon. member should sleep on that.

**Mr. Lamontagne:** In my opinion, the hon. member made a mistake earlier when he spoke of reviewing the appointment of the directors of the centennial commission. One of the main purposes of that resolution is precisely to increase their number because they have not been appointed yet.

**Mr. Pigeon:** I simply referred to the centennial commission.

**Mr. Lamontagne:** There is no centennial commission.

**Mr. Pigeon:** I just ask him to be patient. I have the right to speak since you have recognized me, Mr. Chairman. If the minister wants to make a speech he can do so when I have concluded my remarks.

Mr. Chairman, I should like it to be a celebration of the centennial of confederation and not that of the centennial of a political pack. That is why we are worried, on this side of the house.

I was also pleased to note that other amendments have been made, because without Quebec's contribution to the centennial celebrations, it would have been impossible to take advantage of this bill and to vote the amounts of money in co-operation with the provinces. It is indeed the centennial of confederation and not of Canada, which we are going to celebrate since Canada existed long before 1867. Mr. Chairman, there is a part of our history before 1867 which is very interesting as it deals with the intensive struggles carried on by the French Canadians at that time to assert their rights. Besides, they were very thankful to England later on and showed their gratitude during the attempt at invasion by the Americans.

Mr. Chairman, that amount of money that the federal government wishes to appropriate, $1 per capita per province, will require the co-operation of the provinces. I wonder whether it would not be possible to divide these amounts of money in order that some of them might be used for the erection of monuments commemorating the period of our history before 1867, and others for memorials to recall that part of our history after 1867.

Mr. Chairman, when we were in office, the then prime minister and his government made a step forward to help celebrate the centennial of confederation by taking the required steps to have the world fair held in Canada. In my opinion, that was an important action taken by the government of that time. I urge the President of the Privy Council to make every effort so that international conventions will be held here in Canada in 1967.

I had the opportunity to be a member of a Canadian delegation to Belgrade, recently, under the chairmanship of hon. Senator Dessureault. He carried on the task initiated by his predecessor. And I congratulate him publicly in this house for the work he has done in Belgrade. He obtained from the members of the interparliamentary union that they hold their important sittings here in Canada, in 1967.

I think that will be another important event that will help to make our country known at the international level.

I also wish to make a suggestion in anticipation of the centennial festivities. I wonder whether it would not be possible, for the centennial year, for the provinces to select students according to their talents, in secondary schools, high schools, colleges and universities to whom a free trip paid entirely by the federal government would be offered, for example on C.N.R. trains, to enable them to visit Canada from coast to coast. In my opinion, that suggestion would allow the elite of the nation, the younger generation, to know their country and this would foster better understanding and national unity.

Mr. Chairman, there has been a certain evolution in this country since 1867, and the trend must continue.

I also remember that at the last Conservative convention, for instance, a resolution was moved to change the constitution so that the word "dominion" be deleted. It was put to a

vote and a majority of delegates voted to have the word "dominion" suppressed.

Mr. Chairman, if we are anxious to celebrate the centenary of confederation, we must at the same time try to do something to improve the present situation and remove the stress which is now prevailing in this country.

It is all very well to erect monuments and to work out great plans, but it would also be necessary, in my opinion, to have a much higher ideal. Besides, it was very well understood that in 1967, all the governments, both federal and provincial, would remain supreme and that they would be in a position to raise the necessary funds to exercise their respective rights.

I believe that the fathers of confederation made serious mistakes. First, granting the federal government the right to veto any provincial law; second, leaving the federal government vague and almost unlimited powers of taxation; third, the authority to grant subsidies to the provinces; fourth, restricting the use of the French language to the province of Quebec, the federal parliament and the federal courts of justice.

We know that the fathers of confederation got together to work out a constitution to be submitted for the approval of the government in London. Incidentally, the British North America Act was drafted in English only. It is a legal document passed in England. Of course, it has been translated into French but it is not like a bill which is drafted in both languages here in Ottawa.

When I referred to mistakes, here is what I really meant. My intention is not to blame the fathers of confederation too much; the problems as well as the means of communication were different then. It was very difficult for the fathers of confederation to see one hundred years ahead.

That is why, Mr. Chairman, I sincerely hope that the government will add another program to the centennial objectives. An ideal objective would be, in my opinion, to revise the Canadian constitution completely, in co-operation with the provinces.

The Canadian constitution has existed since 1867. The federal government could avail itself of the forthcoming federal-provincial conference to make this suggestion to the provinces in anticipation of the centenary. The Canadian constitution might be revised in co-operation with the provinces by being adjusted to modern times.

I know that this ideal objective can meet with difficulties, but if we really want to celebrate the centenary of confederation in a spirit of unity, we must work towards that end. And, I already said, provincial co-operation is essential.

[Mr. Pigeon.]

It is all very well, to set up royal commissions on biculturalism but, in my opinion, this is not the best means to give national unity a concrete form. Besides, the value of that royal commission was questioned by the conseil de vie francaise because culture and education belong to the provinces.

I think we should find a system to completely revise the Canadian constitution in order to bring it into line with our modern world. Also, the provinces should be given back their taxation powers, definite powers in the provincial as well as in the federal field. The knowledge of the French language should be extended, not only in the province of Quebec, at the federal level, in the courts, but on a national scale in co-operation with the provinces. Surely, there must be a way to do something in that direction.

Those are the few suggestions I wanted to make and I spoke in accordance with my conscience—

**An hon. Member:** Now he has two consciences.

**Mr. Pigeon:** Mr. Chairman, those are precisely the people who stamped out the rights to the provinces. Those are the very people.

For instance, when you see the President of the Privy Council say, as he did in a televised press conference last Sunday—

**Some hon. Members:** Hear, hear.

**Mr. Pigeon:** He stated: "We will abolish some joint programs but we will set up some others." That means that the policy of the government is contradictory and by the way, the President of the Privy Council is a good example, because he wrote a book and since that time, he contradicts himself quite often.

**Mr. Lamontagne:** But you never read it.

**Mr. Pigeon:** If the President of the Privy Council wants to succeed, I wish him—

**Mr. Berger:** Mr. Chairman, I rise on a point of order, and I do so on the basis of these last words uttered by the hon. member for Joliette-L'Assomption-Montcalm who speaks about contradiction when he himself leads us into confusion.

He speaks about the erection of monuments and afterwards—

**Mr. Pigeon:** Mr. Chairman, the point of order is not well taken and I rise on a question of privilege.

**Mr. Berger:** I would like to know—

**Mr. Pigeon:** I rise on a question of privilege.

**Mr. Berger:** Mr. Chairman, I would like the hon. member for Joliette-L'Assomption-Montcalm to tell me whether he agrees entirely with the statement made this afternoon by the leader of his party, whereas he himself is asking us tonight to try to grasp the meaning of his words. This is absolute inconsistency.

**The Chairman:** Order. I understand the hon. member has raised a point of order; but I feel there was no point of order.

**Mr. Pigeon:** You are perfectly right, Mr. Chairman, for the point of order was ill founded.

Moreover, before venturing into that field, the hon. member should learn the standing orders of the house. Instead of sending an open letter to newspapers to criticize his leader for having given Mr. Gordon another term of office, he should, according to the dictates of his conscience, look after the interests of his fellow citizens from Quebec at the caucus.

With this, I conclude my remarks. If the hon. member for Montmagny-L'Islet wishes to speak, he will have the opportunity to do so since we live in a democracy. If he does make a speech, he will show that he is not gagged by caucus dictatorship nor by members of his party.

[*Text*]

**Mr. Kindt:** Mr. Chairman, anyone who comes from a province other than Quebec, who either sits in the house or is seated in the galleries, will get the impression tonight that at least 75 per cent of the discussion which takes place in this chamber is about the province of Quebec and is participated in by only French Canadians. There is nothing wrong with their participation, and we do realize that they have a tremendous number of problems. But, I wish to deal with one point brought up by this resolution, we want one Canada and we want a united Canada. What is more, when 1967 rolls around we still want a united Canada. I come from the province of Alberta. I happen to be half French and I know that those who are speaking for the French Canadians are not telling the truth. I want to repeat what the President of the Privy Council—

**Mr. Langlois:** Mr. Chairman, I rise on a question of privilege.

**Mr. Kindt:** I shall answer the hon. member's questions later when I am finished if he cares to ask them at that time.

**The Chairman:** Order, please. I understand the hon. member is rising on a question of privilege.

**Mr. Kindt:** He is just interrupting. He has had the floor.



**The Chairman:** Order. The Chair should have the opportunity to hear the question of privilege.

**Mr. Langlois:** I think an insinuation was made about French Canadians that was not quite true. I should like the hon. member to tell us exactly what was wrong and what was right, or what was not true.

**An hon. Member:** Sit down and listen.

**The Chairman:** I suggest to the hon. member that this is not a true question of privilege and I would ask the hon. member for Macleod to continue.

**Mr. Kindt:** The President of the Privy Council stated that unless changes are made in the act the province of Quebec will not co-operate in the centennial celebration of confederation, or words to that effect. Those are not the exact words.

**Mr. Lamontagne:** They are not my words.

**Mr. Kindt:** If they are wrong, let the minister correct them, because my point is based on what he said. It is all well and good for one province to say: Do this or else. If we in other provinces are approached with the thought that there are features in the bill which are good for all of us, including Quebec, all right; but when we are approached with the ultimatum, do this or else, it is blackmail. It does not sit well with the other provinces in Canada.

I do not think this is the feeling that the good people of Quebec wish to disseminate among the people of the other provinces of Canada. I think the minister either made a mistake or the government of Quebec has made a mistake. If the government of Quebec has come to the President of the Privy Council and pointed a gun at his ear and said, "Do this or else", it is up to him to tell the house, if that is the reason he has taken the position he has, and why he made that statement. If there is some other reason then I as one who comes from another province, would like to know.

Mind you, I have no qualms about certain features of the bill, but I do detest this particular statement of the President of the Privy Council. We all know that on the government front benches there are 10 cabinet ministers from Ontario and eight from Quebec. The government is loaded with ministers from those two provinces. If the President of the Privy Council is going to stand in his place and say, "Do this or else", he is rubbing the rest of the provinces of Canada the wrong way.

**Mr. Lamontagne:** On a question of privilege, Mr. Chairman, I believe I never said what the hon. member is saying I said.

I would advise him to look at the correspondence exchanged between the former prime minister of Canada and the present premier of Quebec, which was tabled in the house on the 27th of June, and he will understand the situation.

**Mr. Kindt:** I gave you the opportunity to correct me if my words were wrong, but you did not do so.

**Mr. Lamontagne:** Yes, I did.

**Mr. Kindt:** You brought an extraneous matter into the picture by referring to the former government. I am referring specifically to what you said in the house tonight.

**The Chairman:** Order. May I suggest to the hon. member that he should address himself to the Chair.

**Mr. Kindt:** Right. I shall be delighted to do so. I turn now to the increase from 8 to 12 in the number of directors. We have never had any explanation why the government intends to add four additional directors.

**Mr. Lamontagne:** In order to give sufficient provincial representation.

**Mr. Kindt:** All one has to do is to use his imagination, and it does not take the imagination of anyone with any great degree of intelligence to know that the government is simply padding the board of directors. They are creating more places for political appointments. I say that we want a centennial celebration in 1967 that will be representative of all Canada, and if the government frontbenchers are going to continue to act in the manner they have since this bill was brought before the house today, I say to them that they are acting wrongly, if they hope for a united Canada in 1967.

**Mr. Lamontagne:** May I ask the hon. member a question? Is he against the intention in the resolution, that there should be representation from all the provinces? Is he against that?

**Mr. Kindt:** I will put it this way. There are 10 provinces in Canada, and the Northwest Territories, and the Yukon. If the government were to act in a non-political way and put a representative on the board from each of the provinces—they might even go so far as to give Quebec and Ontario two each, because of their greater population—if the government were to bring in people from all parts of Canada to serve on the board—

**Mr. Lamontagne:** That is exactly what we want to do.

**Mr. Kindt:** —then it would not be so distasteful. But the President of the Privy Council has never indicated to the house that he intends to carry out any such suggestion.

**Mr. Mather:** Mr. Chairman, with the customary brevity of my party, there are only four or five things I should like to say on the resolution now before us. First, I think it must be fairly obvious to most members of the house, as I am sure it is to most people in the country, that so much time has already been wasted by the former and the present administrations in regard to organizing our centennial birthday party that those in charge will have to move very quickly unless they want to go down in history as party poopers. Second, I want to point out that there are only about 40 months left to get the centennial party on the rails. Third, I should like to emphasize what I think is in many members' minds, that not enough attention is being paid in the organization of the party to permanent public projects that will last. I feel that we should want to come out of the celebration with something more than the dishes in the sink, after the party is over.

This afternoon my colleague, the hon. member for Winnipeg North Centre, suggested that we in the New Democratic party are at least as eager to have a national consciousness instilled into Canadians as any other party in the house. However, we are ready to forego the wording which the resolution seeks to take out, the use of the word "national" in the title of the act and elsewhere in the centennial phraseology, if it will help to bring together the people of all the different regions of Canada as Canadians, so we can celebrate our centennial party as one people. We favour, instead of the word national, the word "Canadian". The language of this title should be the celebration of the Canadian confederation centennial.

As one who had something to do with the organization of the British Columbia centennial, Mr. Chairman, celebrated in 1958, and who observed the Alberta and Saskatchewan celebrations in the same period, I should like to draw to the attention of the centennial people generally the value of paying more attention to the practical achievement of these provincial centennial organizations. I am not one who supports the provincial government of British Columbia, Mr. Chairman. However, I must say in fairness to them that the organization they inspired and set up did a good non-political job, and that the province of British Columbia has come out of that centennial celebration a much richer province culturally than it went into it. I think the same thing could be said about the Alberta and Saskatchewan celebrations.

I should like to urge also, in supporting the resolution before us, that the centennial administration pay a little more attention to what I consider to be the external effects of our coming celebration. As well as having a party within Canada, I think we should try to do things in our centennial celebration that will attract good will and impress the world with Canada's stature. I think we could do this in several ways if we think big enough. I feel that 1967 should be the year when we decide on what kind of official, distinctive Canadian flag our country should have. It may be that we would decide in favour of the red ensign. It may be that we would decide on some other quite distinctive flag. Surely, on January 1, 1967 we should unfurl around the world the officially designated Canadian flag.

Second, sir, I think internally it would be an excellent thing in 1967 if we could do something for our older citizens, such as reducing the pensionable age without a means test to 67 at the most.

Finally, I have one particular point I have brought to the attention of the official centennial organization, and I am hopeful that others would agree it would be a matter worth considering. I think Canada should set the world an example in international thinking on the occasion of our birthday. One way we could do that would be to invite, through the United Nations, one child from each country affiliated with the United Nations to come to Canada as our guest for two or three weeks during the height of our centennial celebrations. We have the planes to fly them here, and we have the trains to take them across Canada so that they could see something of the achievements of their forebears from their own country who have pioneered Canada and helped to give us what we have today. I think this would be a very good method for celebrating our birthday in Canada. It is imperative that we pass this resolution and that we encourage our centennial people to think large and think fast.

**Mr. Mandziuk:** We cannot minimize the importance of the amendments contained in this resolution, Mr. Chairman. It is true that they fall into three parts. The first is the increase in the number of directors from eight to 12. I would not quarrel with that. If experience has shown that eight directors do not provide sufficient representation to the provinces, or if a directorship of that size would not properly carry out the duties of the directors, I am quite happy to see the number increased to 12 or, if necessary, more than 12.

The second purpose is to simplify directives to this administration. I would not quarrel with that. However, the change in name puzzles me. I have listened with interest to the very eloquent address of the hon. member for Villeneuve, as well as others. It is true that they went into the history of this country of ours. I do not quarrel with that, either. Why are the words "national centennial", changed to "centennial of confederation"? I can understand the basis of the argument. Some people will contend that Canada existed from the time of the first explorers, but Canada did not exist as a nation at that time. I am in accord with the right hon. Leader of the Opposition when he said that it was in 1867 that Canada, the nation as we know it today, was born. We are, therefore, celebrating in 1967 the centenary of that birth.

**An hon. Member:** What were we before?

**Mr. Mandziuk:** Mr. Chairman, I just wonder where the hon. member was before.

What puzzles me is that the President of the Privy Council has said he made this change at the whim of the premier of Quebec.

**Mr. Lamontagne:** I did not say that.

**Mr. Mandziuk:** The minister did not use the word "whim", but I am using it. He did not tell us—but perhaps he will before this debate closes—whether or not the other nine premiers felt the same way as the premier of Quebec. Did they have any objection to the name as it was? Did they have an opportunity to concur, and if they did not, why not? This would be very interesting to us.

**Mr. Lamontagne:** I can answer that question.

**Mr. Mandziuk:** The President of the Privy Council will have an opportunity to answer that question. He can do so after I have finished my remarks or when he closes this debate.

I agree with what my leader has said, Mr. Chairman, that the birth of Canada as we have it today occurred in 1867. What did we have before 1867? I studied Canadian history from the time of Cabot and Champlain and all those discoverers who came to this new land. At that time lower Canada might have been called a province, but it was an abandoned child, abandoned by its motherland. Let us not twist history or deny historical facts. Upper Canada consisted of people who came from south of the border because they did not want to live under the stars and stripes. They wanted to live under the British flag. These were the two founding races who conceived this structure, this pact, which eventually welded this territory into one Canadian nation.

Now, Mr. Chairman, regardless of what we say, and facts can be twisted, this was a union of necessity. Lower Canada knew full well that if she were left to herself she would be absorbed by the United States. Quebec, as we know it today, would have been non-existent. Upper Canada, the present Ontario, knew quite well that if she did not enter this pact she, too, would be absorbed by that giant, the United States, that was growing up at that time. It was a case of necessity, so that these two peoples welded their swords into plowshares and started building a nation. That is why I believe the centennial of the birthday of the nation dates from there, unless I have misunderstood Canadian history. It was a case of either unite or perish. Every Canadian of today knows that, and we might as well face it.

Other peoples came into this country after 1867. Some came for economic reasons. I can name various racial groups that came to Canada for the simple reason that their homelands were overpopulated. They came here, where they found open spaces and opportunities. Others came in search of freedom like the race from which I descend—in search of the freedom which was denied them in their homeland. They found that freedom in Canada.

They came in here, not as hewers of wood or drawers of water. They felt they were coming in as equals, as partners in the building of this nation, and they so feel today. That applies to everyone, Mr. Chairman, to everyone in this house, and we have the descendants of many races in this chamber. These people who came were prepared to make maximum contributions to the development of one over-all Canadian culture. They are making those contributions today to a national culture embracing the best of all cultures.

It is natural for a nation such as ours, made up of so many peoples from different parts of the world, a nation that I believe is still in the process of uniting into something more solid and stronger, to go through the pains of birth. With your permission, Mr. Chairman, I would like to quote a few sentences from an address given by Mr. Justice Samuel Freedman, who is now a judge of the appellate court of Manitoba, to an audience in Toronto in 1959, at a time when he was chancellor of the University of Manitoba. This is what he said:

> The two major groups and many smaller ones are learning the lesson of living together as Canadians.

This was as far back as 1959.

> But there are still dangers to overcome. Sometimes extremists have encouraged group isolation and exclusiveness. Sometimes, on the other hand, there have been demands for compulsory conformity to a fixed pattern. I believe, however, that provided there is only one politicial allegiance, namely to Canada, and that all groups participate as Canadians in its corporate national life, there is still room for secondary cultures as well.

There are various parts of this nation where certain people feel that they want to isolate themselves, to be exclusive. There are others who feel we should all conform to their pattern of life. But I believe that this learned judge, when he spoke to his Toronto audience, expressed himself more clearly than I could, in giving us a lesson in what we must do to overcome the difficulties we face today. Certainly there is considerable disagreement. We cannot all think alike. It is only in a communist dictatorship that people are compelled to think alike, but here we are free to think and speak as we please.

I am talking about these people who feel they are equal partners in the building of this nation. Originally they had to overcome prejudice. My father did, and so did I. We overcame the prejudice. They had other difficulties to overcome. They had to learn at least one official language and many of them today know both official languages. Those who wish to retain their mother tongue and teach it to their children do so on their own account, and they do not expect the state to pay for it.

According to the latest statistics there are over 5 million people in our country who are descended from neither French nor British stock. They have entered into every sphere of our national life, legislative, judicial and educational. Two of my daughters are teaching school in a strictly English speaking district in Winnipeg, and this district does not take any exception or objection to their name. They are building up the next Canadian generation. They are proud to be doing so, and I am proud of them.

These people also entered the industrial life, and when the call came to shoulder arms they answered that call. They felt Canada was worth fighting for, and many names that a lot of hon. members cannot pronounce are on the rows of crosses in the fields of France, in the fields of Asia, and in the fields of Africa. Why? Because they believed in Canada. They believed in what this Canada meant to them.

These people pray, and I believe I have a right to ask on their behalf, that they be not left behind in celebrating the hundredth anniversary of this great nation of ours. They wish to celebrate. They wish to take stock of what they have achieved and what they have contributed to this nation. They hope that

the two founding races appreciate their contributions, and they are not asking for anything else.

They are not looking forward to speeches. As the hon. member for Winnipeg North Centre very ably put it, we do not expect to pass that year over just in speeches. We expect to take stock and show what we have achieved as a nation, to show we have achieved unity instead of fighting over whether or not it is the centennial of confederation, the centennial of Canada, or the centennial of what. No matter what it is, it is a centennial of the birthday of this nation, and this act can be called whatever the government pleases. They can railroad the name to suit, but it will still mean the centennial of the birthday of this nation as we know it, which took the best the French had to contribute, and also took the best the English had to contribute, British tradition, British fair play, and British justice. This is the best guarantee, not only to French Canadians but to us all, of these freedoms which we enjoy today. I said, Mr. Chairman, there were over 5 million of these people. They ask for the privilege of full participation. They do not fail to recognize the two founding races. We do not deny history; we are not going to deny history; we are not going to twist it to suit ourselves. They do not ask for official recognition, which is the impression some people have. I am proud of my racial origin and I am proud of being a Canadian. Some people think my compatriots expect official recognition. No, Mr. Chairman; that is a false statement for anyone to make. I do not pretend to speak for all these 5 million or more Canadians, but I know the people of the race from which I descended do not want to be hyphenated Canadians. I think hyphenation is coming back into fashion again; everything is hyphenated.

I do not want to get away from the resolution, Mr. Chairman. If I were to do what some hon. members have done, I would get away from the resolution that is before us, and I know you would permit me to do this because you have extended that privilege to others. I could cite many examples of where this hyphenation is in full swing across Canada today. In plain language, the people for whom I speak do not want to be left out of these birthday celebrations, because they are as concerned as the rest of us, if there are no second-class Canadians, if we are all Canadians. If not, let us put that on the statute books: we will have wood hewers and water carriers, and the elite, which is contrary to every concept of Canadianism and freedom that is on our statute books. These people want this because they owe political allegiance to Canada, and Canada alone. We have people who came here and acquired citizenship by taking the oath of allegiance. Their children were born here, and in the eyes of the law they are full Canadian citizens and are entitled to all the privileges, as well as the obligations, inherent in Canadian citizenship. They owe allegiance to no other country. They have renounced the state from which they came. They may be interested in what is going on in their homeland, but they are Canadians and as such are interested in what is going on in the Congo, for example. We sent our boys out there, at the risk of being shot down by the negro tribes. We are interested in what is going on in the Gaza strip, where our boys are trying to keep peace between two warring nations. Some of these people in Canada who have acquired Canadian citizenship and are loyal Canadians are interested in what is going on in their homeland, particularly if their homeland is behind the iron curtain; but that does not mean they feel their allegiance is divided. They want to be recognized as participants in the corporate national life of Canada, while fully recognizing that there are two founding races. It is just the same as if you organized a partnership or corporation and two men entered into the business, and then, as business expanded, other people joined in. Are the first two people the only ones who have a share in this corporation? I think this is contrary to our bill of rights; it is contrary to our constitution, and it is contrary to everything that we believe in and that these people expected when they came to this country.

I think the word "national" is a word of pride. I do not know why people should take exception to it. If we are a nation, this is a national celebration and the purposes of this act would remain the same if it were called the national centennial act. If Canada is not a nation, what is it? Is it just a hyphenated monstrosity? No, Mr. Chairman, it is not.

I should now like to deal with what has been said by other hon. members. I listened with interest to the speeches of hon. members, and in particular that of the hon. member for Villeneuve, who spoke about some injustices and unfairnesses that exist in our constitution under the British North America Act. I say, Mr. Chairman, that if these things do exist, let us correct them, in all fairness. Why not? I am going to point out an injustice that is in the British North America Act—just one. This applies to those of French origin. I am not going to call them French Canadians, because I do not call anyone a hyphenated Canadian.

**Some hon. Members:** Hear, hear.

**Mr. Mandziuk:** The British North America Act guarantees the English full equality in Quebec, but gives no such guarantee to the

French in Ontario. Why not? I am pointing this out, Mr. Chairman, and saying that if there is any amendment that needs to be made to our constitution, if it is necessary, if it hurts some part of this nation, let us correct it, but let us not ruin this nation. Let us keep this nation united. Let us keep this nation strong. Let us keep this nation so that everyone, regardless of racial origin, owes allegiance to no other country but Canada.

**Mr. Macaluso:** Mr. Chairman, I was most interested in the hon. member's speech. I found in it many points with which I agree, but there was one statement about which I should like to ask a question. The hon. member referred to his two fine daughters who are teaching. He mentioned, I think, that they are teaching in a solely English district and this district had no objection to name. Is the hon. member inferring that there are districts or areas in this country where anybody does object to a person's name, no matter what that name may be?

**Mr. Mandziuk:** I started by saying that we had to overcome prejudices; that there was discrimination; that there were such areas; that there were such districts. However, I have not seen any in the last 20 or 25 years, or at least since the last world war.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, the purpose of the resolution is precisely to change the expression "national centennial" to "centennial of confederation".

The hon. member who has just spoken, the hon. member for Marquette (Mr. Mandziuk) said: "Whether it is the centennial of the nation or of confederation, what does that change, those are only words, let us get some action".

Now, Mr. Chairman, I shall reply to the hon. member for Marquette that those may be words but to us, they have their meaning. If, in 1812, that is 55 years before confederation, when the nation already existed, when there were Lamontagnes, Tremblays, Merciers, Caouettes and Gregoires who fought in the Canadian army against the invader, if it had not been for them, he could not boast of being a Canadian citizen today. He could simply call himself an American citizen.

Before confederation, there was a Canadian nation, there was a Canadian country, there was a Canadian fatherland and Canadian citizens who worked, fought to develop that country. It is precisely because there was a Canadian history prior to 1867 that the hon. member for Marquette can be proud to live in a country which progressed, developed and expanded.

If it had not been for that period before 1867, the hon. member for Marquette might think to himself that he would not be welcome in Canada. It is because Canadians fought for Canada before 1867 that he is here today.

That is why words mean something to us. "Centennial of confederation" and "national centennial" do not mean the same thing at all.

Does the hon. member for Marquette realize that it is because of our forefathers who were here in Canada before 1700 and 1800 that he can share with us the benefits of this country? I cannot tell what his ethnic origin might be, but two centuries ago those people were not here.

We welcome as friends all those who come to live in Canada. We want to recognize their rights and privileges, but we want them to recognize that, before they came to Canada, our two great nations worked towards the development of this country.

We are happy to grant them all the rights which every Canadian citizen can enjoy, but we do not want them to forget that we fought, before they came, so that they might enjoy the rights and the freedom which are now ours in Canada.

A while ago, I heard the hon. member for Marquette say: We want our rights without taking anything from anybody, but let no one take anything away from us either. If ever a Canadian citizen from another ethnic origin is deprived of any right as a Canadian citizen, I will be the first to stand in this house to see to it that he is granted his rights, and that, in any province, in Quebec or elsewhere.

We favour the respect of the rights of each and every one and we are not asking Canadian citizens to give up their rights, because, on the contrary, we want to preserve them.

Yesterday, the hon. member for Port Arthur (Mr. Fisher) said to me: "You are engaged in a fight; what have you got against English Canadians? Why are you fighting against us?" I answered him: "Since we sit side by side, then read *Hansard* or stay in the house and listen to us; then you will realize that we do not want to take anything away from the English Canadians, we want nothing from them, no concession, no privilege, we do not want them to give up anything, we are simply insisting on our right to grow, to expand and progress as French Canadians.

I think it is possible to do so without taking anything away from the English Canadians; furthermore, we want to help them to grow.

I was just reading part of a speech made by the hon. member for Port Arthur who, it is said, is known to be outspoken. Well, I will

say that he went into this matter of education like a cow in a rose bed or a bull in a china shop.

Here is what the member for Port Arthur said:

> Quebec, like many other provinces, stands in urgent need of a new educational system.

What concern is it of his? What business has he to tell the province of Quebec what it should do in the field of education?

I am very happy to note that he has just come back. He told us: Stop complaining—

The member for Port Arthur was telling me just yesterday: But stop complaining about the English Canadians.

We are not complaining about the English Canadians, but when someone like the member for Port Arthur says it is urgent that Quebec, like the other provinces, get a new educational system, then I say to him that it is none of his business.

It is precisely because there are too many English Canadian members or citizens who wish to meddle in the affairs of the province of Quebec that there is today what might be called some sort of antagonism—

[*Text*]

**An hon. Member:** It is part of Canada, isn't it?

**Mr. Gregoire:** It is part of Canada.

[*Translation*]

But the educational system of the province of Quebec is under the exclusive jurisdiction of that province and not of the federal government.

We are not seeking the suppression of anything whatsoever in your educational system in Ontario. You can do as you wish. This is not our business.

There will be mutual understanding when everyone will mind his own business. Nowadays, everyone wants to interfere with the province of Quebec's business.

I note also that the member for Port Arthur said this:

> The factor I want to hear about is whether all these screams, yells and howls—in connection with such program may be the reasons for the government not going forward with something that is long term and embracing.

Mr. Chairman, the other provinces are free to accept that program if they wish to do so. It is up to them; that is not our problem. Education does not come under the jurisdiction of the House of Commons or of the federal government but under the provinces.

If the latter wish to set up such a program with the help of the federal government, they are free to do so, but it is none of their business if the province of Quebec chooses to establish a scheme of its own. That is precisely what is meant by "biculturalism": two cultures.

Language is the chief medium of culture. It gives birth to another way of thinking. But let us not to try to be all in the same boat, because it will become a melting pot.

If English Canadians want to develop in a certain way, they should feel free to do so. The province of Quebec wants to set up its own educational system, in keeping with its French culture and its methods for its own citizens. It should be allowed to do as it pleases.

I wish to stress this point: when everyone will actually mind his own business, then everything will be fine and it will be possible to get along, to co-operate and to build a nation where the two great races will be able to live side by side.

But let everyone start by minding his own business. Let nobody come and tell us what to do and we shall not tell others what they should do. That is a rather important aspect as far as the co-operation between the two races is concerned.

**Mr. Fisher:** Oh, oh.

**Mr. Gregoire:** The hon. member for Port Arthur seems to be up in arms. I challenge the hon. member for Port Arthur to mention a single example where we have indicated to the other provinces what they had to do. We have requested our share for ourselves, our share only according to our rights.

For instance, when have we tried to interfere with the customs system, the embassies or the consulates? Never. They are the responsibility of the federal government. When have we told the province of Ontario to do such or such a thing?

In the riding of Port Arthur for instance, can the hon. member for that electoral district mention a single instance? He will never find any. But let us look after our own educational system, our own roads, our own hospital system and everything we have at the present time ourselves, for ourselves and by ourselves, under the British North America Act.

The hon. member for Marquette (Mr. Mandziuk) said a while ago: Tell us just one thing that is wrong with confederation and we will be ready to change it. Well, what is wrong with confederation is that it was not carried out just as it is, it was not respected. Its true meaning was lost sight of and it was not applied and respected over the years, ever since 1867. That is what is wrong with confederation.

Let us go back, for instance, to 1942 when, if I am not mistaken, the federal government asked the provinces to lend it their sources

of revenue accruing from individual income tax, corporation income tax and succession duties.

At that time, this order in council provided that if the lieutenant governor in council of a province asked for return in full of these sources of revenue, the federal government would have had to give them back within 30 days. That condition was stipulated in the order in council of 1942, under which the provinces agreed to lend their sources of revenue to the federal government which, in turn, committed itself to give them back to the provinces within 30 days, on request made by the lieutenant governor in council. So it means that this concerned the rights of provinces.

Mr. Chairman, speeches on that matter have been heard for a long time in this house. I am of the opinion that, at the present time, after all those speeches, people have all the required information and it would be time to take action. Still, it must be a step in the right direction, because if we are not ready to apply the proper remedies to confederation, we will not be able to cure what may be ailing it; we will just make its condition worse and heavens knows that it is bad enough as it is.

What would be the proper cures? They have been mentioned several times and there is a fairly wide consensus of opinion on that point in the province of Quebec today.

First of all, the provinces must regain possession of their sources of income, so that they may develop by themselves and without the assistance of the federal government all the fields which come under their jurisdiction according to the B.N.A. Act.

As the hon. member for Villeneuve (Mr. Caouette) stated, that should be done, and indeed I am glad to say it here in English, so that my English speaking colleagues may better understand.

[*Text*]

What we as French Canadians want in this country is this. We do not require other people in Canada to speak French in our country. That is not what we call our right under the constitution. What we want is our right to speak French in the country. We do not require that same right for every Canadian citizen. We do not require people in Toronto or Vancouver to speak French, but we would like French Canadians to have the opportunities to speak French, their own language, in their own country. I do not think that is wrong.

As the hon. member for Villeneuve mentioned, when we from the province of Quebec come into Ontario, the first road sign we meet when entering the province of Ontario on the road from Montreal to Ottawa says: "Observe speed limit". We do not require that a road sign should be written in both languages. It might be a courtesy, but that is not what we want. We want the opportunity and the facilities to develop ourselves, and to develop by ourselves in our country. We do not require anything from English speaking Canadians. They can develop themselves as they wish, but let us have the same opportunity.

[*Translation*]

Mr. Chairman, I do not think that this is fanaticism. I do not believe that it is demanding concessions from the other group. No.

There is no concession to ask in this regard. The thing is simply this: the principle of two nations is being recognized more and more in our country, and those two nations must both have the opportunity to develop and to expand, so that the whole country may develop.

To my friends, the new Canadians, who seem to fear this inquiry on biculturalism and who would like it to become an inquiry on multiculturalism, I say that it should not be attempted to make of Canada a country with an English, French, Polish, Italian, German, Ukrainian culture, because we would end up unavoidably with a melting pot as in the United States. Let every Canadian citizen strive to protect two cultures in Canada. Then, the descendants of other ethnic groups who will come to settle in Canada will have the opportunity to keep at least their traditions, their folklore and even their native tongue in certain cases; they may safeguard part of their cultural heritage if two nations can live together in Canada. If on the contrary, we try to preserve many of them, we will end up with a melting pot, as it is the case in the United States.

Mr. Chairman, we will celebrate the confederation centennial if on one hand, we act accordingly; if each ethnic group looks after its own business so as to develop itself and expand and if on the other hand, we act in such a way as to enable both races, both cultures to develop themselves according to their own ambitions, their character, while preserving their language and their culture.

**Mr. Berger:** Mr. Chairman, would the hon. member for Lapointe permit a very simple question?

**Mr. Gregoire:** Certainly.

**Mr. Berger:** I have listened, to a certain extent, with pleasure to the speeches made tonight by the hon. members for Villeneuve and Lapointe. But there is that ever-recurring word "we": "we say", "we want", "we wish"

—I would like to know what the word really means, for it is a plural form that is rather peculiar to me.

**Mr. Gregoire:** Mr. Chairman, I believe that I know my French Canadian fellow citizens well enough to say that French Canadian cultural, ethnic and national progress, prosperity and development in Canada is their earnest desire and I think that the hon. member for Montmagny-L'Islet is included among them.

I am pleased to see he is indicating that he is happy to be included in such a group.

[*Text*]

**Mr. Macaluso:** Mr. Chairman, I wonder whether the hon. member would permit a question. In his speech he stated that the French Canadian population and the English speaking population should foster only two cultures in this country. Does the hon. member's group back up his statement that other groups—I will not use the word "ethnic", although it is popular, but those of Ukrainian background, or those of Italian or other European ancestry—should forget their own cultures and the advancement of those cultures within their own family and within their own community?

**Mr. Gregoire:** No. I think the contrary, that each of these groups should try as much as possible to keep its heritage and tradition which it received in its own country. Each group should keep its own culture as much as possible, but I think there should be only two official cultures in this country, the cultures of those who founded and established Canada. I think the others, the Italians and the Ukrainians, to which my hon. friend drew attention, should try to retain as much as possible their own heritage and traditions, which would enrich the country even more.

**Mr. Macaluso:** If the hon. member would go back in history a little bit he will find that this has already taken place.

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

**Some hon. Members:** Agreed.

Progress reported.

## THE LATE DONALD SUMMERVILLE

DEATH OF MAYOR OF TORONTO—EXPRESSIONS OF CONDOLENCE

**Mr. Ralph Cowan (York-Humber):** Mr. Speaker, as a member of parliament from metropolitan Toronto I regret to advise the house that the mayor of Toronto, Donald Summerville, passed away this evening in office. It will be three weeks ago tomorrow that he was in Ottawa representing the city of Toronto, which he graced before the transport committee of the Senate. There are no Conservative members from Toronto and he did me the great honour of asking me to accompany him before that committee. The hon. member for Broadview (Mr. Hahn) went with him as well.

As all hon. members know, Mr. Summerville was a very active man. Possibly he had been endeavouring to do too much in the recent past. I regret his death. The halls of parliament have been graced in the past by former mayors of Toronto. I think of the late H. C. Hocken and the late T. L. Church. I could name many others. I am certain Donald Summerville would have graced the halls of the House of Commons in the very near future. All members of parliament from metropolitan Toronto, including New Democrats and Liberals, have lost a friend in this true blue Conservative, Donald Summerville, and I regret having to be the one to bring the sad tidings.

**Mr. O. W. Weichel (Waterloo North):** On a question of privilege, Mr. Speaker, we on this side would also like to join with the hon. member in expressing our deepest sympathy to Mr. Summerville's family. The mayor was a very close friend of mine and just three or four days ago we attended a meeting together. I am sure he was a great man and representing Toronto he did a great deal for that city and also for all of Canada.

## BUSINESS OF THE HOUSE

**Mr. Hamilton:** Mr. Speaker, I wonder whether the acting house leader would give us a résumé of tomorrow's business and possibly Thursday's.

**Mr. MacNaught:** Tomorrow we will continue with the resolution we have been discussing today. When it is finished we will take up the resolution preceding the amendments to the Admiralty Act and the resolution preceding the C.N.R. financing act, then the second reading stage of the act to amend the Bankruptcy Act and the second reading stage of the act to repeal the Newfoundland Savings Bank Act, 1939. If there is any time left we will consider the three resolutions standing in the name of the Minister of Transport, namely, the grade crossing fund, the St.

Lawrence Seaway Authority Act and the Canadian Overseas Telecommunication Corporation Act.

**Mr. Hamilton:** I wonder whether the acting house leader would be able to give us any information on what departmental estimates are planned for the latter part of the week?

**Mr. MacNaught:** I am sorry, but I cannot give that information now. I understand that conversations will be carried on through the usual channels tomorrow to arrange a satisfactory program for Thursday and Friday.

It being six minutes after ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Wednesday, November 20, 1963**

The house met at 2.30 p.m.

## RAILWAYS, AIR LINES AND SHIPPING

REFERENCE OF ANNUAL REPORTS AND BUDGETS TO STANDING COMMITTEE

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, by leave I beg to move:

That the annual report for 1962 of the Canadian National Railways and the Canadian National Railways securities trust, the auditor's report to parliament for 1962 in respect of the Canadian National Railways, the budget for 1963 of the Canadian National Railways, the annual report of Trans-Canada Air Lines for 1962, the auditor's report to parliament for 1962 in respect of Trans-Canada Air Lines, and the budget for 1963 of Trans-Canada Air Lines, tabled on May 17, 1963, be referred to the sessional committee on railways, air lines and shipping.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, on this motion I want to ask the minister a question. Could he give us an explanation as to what we are going to do about the 1961 reports, which as far as I know have not been dealt with by the house?

**Mr. McIlraith:** Mr. Speaker, I was not aware they had not been dealt with by the house. If they have not been dealt with, I am afraid it happened before my time. However, I will look into the matter.

Motion agreed to.

[*Later:*]

On the orders of the day:

**Mr. McIlraith:** Earlier today the hon. member for Port Arthur asked me when the annual reports of Canadian National Railways and Trans-Canada Air Lines for 1961 will receive consideration. I find on checking the records that they were considered by the sessional committee in November of 1962 and were approved by that committee, as to Canadian National Railways on November 23, 1962, and as to Trans-Canada Air Lines on November 27, 1962.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FRANK L. BANFIELD, HALIFAX—PROCEEDINGS UNDER PAROLE ACT

*Question No. 1,150*—**Mr. MacEwan:**

1. Was Frank Leonard Banfield of Halifax released from Dorchester penitentiary in November, 1962 and, if so, was he given a certificate of expiry of sentence?

2. Was Mr. Banfield subsequently arrested by the R.C.M.P. on the 11th of June, 1963, at his place of employment by exercise of a warrant of committal under the Parole Act and if so, was he lodged in the county jail at Halifax and, for what period of time?

3. Were the R.C.M.P. and the national parole board aware that Mr. Banfield (a) had resided (b) been steadily employed in Halifax since his release from Dorchester and (c) been married since his release?

4. Was a warrant of committal issued by a provincial magistrate as required by the Parole Act and, if so, what is the name, and the status, of the person who signed the warrant of committal?

**Mr. Chevrier:** 1. Frank Leonard Banfield was released from Dorchester penitentiary in November, 1962, and was given a document that certified that he had been incarcerated in the institution serving a term of two years. In addition, the document stated that he had been sentenced on May 10, 1961, and was released on expiry on the 23rd day of November, 1962, after serving one year, six months and 14 days.

2. Mr. Banfield was subsequently arrested by the R.C.M. Police on June 11, 1963, at his place of employment and lodged in the county jail at Halifax after 12.30 p.m. on June 11, 1963 and was released on bail during the morning of June 14, 1963.

3. No.

4. When Mr. Banfield was arrested as described in paragraph 2, the R.C.M. Police had in their possession a forfeiture warrant of committal, purporting to be under the Parole Act, which has not been issued by a magistrate as required by that act. On June 24, 1963 a substitute forfeiture warrant of committal was issued by provincial magistrate Horace E. Dickey, Q.C. at Halifax, Nova Scotia but immediately thereafter and before such warrant was executed a new certificate of parole was issued to Mr. Banfield.

PROSECUTIONS OF COMPANIES FOLLOWING NORRIS REPORT

*Question No. 1,170*—**Mr. Orlikow:**

1. Is the government considering legal action against Canada Steamship Lines; The Algoma Central and Hudson Bay Railway Co.; David Transportation Ltd.; Guy Tombs Marine Services Ltd.; National Sand and Material Co., Ltd.; Nothwest Steamship Ltd.; N. M. Paterson & Sons Ltd.; Quebec and Ontario Transportation Co. Ltd.; Quebec Paper Sales & Transportation Co., Ltd.; The Reoch Steamship Co. Ltd. concerning agreements signed by these companies with the S.I.U. which were declared by Justice Norris to be in contravention of the provisions of the Industrial Relations and Disputes Investigation Act; if not, for what reason?

*Questions*

2. Is the government considering legal action against Canada Steamship Lines concerning an agreement between it and the S.I.U., whereby the company would be indemnified for any damages arising against it for the agreement with the S.I.U. on behalf of the company's personnel who already had been certified to the N.A.M.E. of Canada by the Canada labour relations board, which agreement was declared by Justice Norris to be in contravention of the provisions of the Industrial Relations and Disputes Investigation Act; if not, for what reason?

**Mr. Chevrier:** Counsel appointed by the minister to study the evidence in connection with the Norris inquiry are considering these as well as the other questions of prosecution arising out of such evidence.

*C.N.R. GRAIN ELEVATOR, SAINT JOHN, N.B.

*Question No. 1,317*—**Mr. Bell:**

Is it the intention of the Canadian National Railway Company to sell the grain elevator on Prince William street, Saint John, N.B., as announced September 19 in Moncton and, if not, what are future plans?

**Mr. Cantin:** The elevator at Saint John is not being offered for sale by the Canadian National Railways. Future plans for the elevator are receiving consideration.

RICHARD O'HAGAN—REMUNERATION

*Question No. 1,377*—**Mr. Fisher:**

Has Richard O'Hagan, on the staff of the Prime Minister's office, also been receiving an additional income or expense allowance from any other source, including the national liberal federation and if so, what is the scale of this additional remuneration?

**Mr. Pearson:** The only official record of Mr. Richard O'Hagan's salary is the salary he is paid by the government of Canada for services rendered on a full time basis.

C.N.R. EASTERN GRAIN ELEVATORS

*Question No. 1,378*—**Mr. Rynard:**

Is it the intention of the Canadian National Railways to dispose of all of its eastern elevators?

**Mr. McIlraith:** The management of the Canadian National Railways have been giving consideration to the question of whether it would be advantageous if certain elevators were operated by firms whose main business is the operation of grain elevators, and in order to assess the matter advertisements have been placed in newspapers inviting proposals for the elevators at Midland and Portland.

C.N.R. TRAIN FACILITIES, PORT AUX BASQUES-ST. JOHN'S, NFLD.

*Question No. 1,383*—**Mr. Tucker:**

1. Have any requests been received by the government or management of the C.N.R. concerning the lack of sleeping and dining facilities on trains operating between Port aux Basques and St. John's, Newfoundland?

[Mr. Orlikow.]

2. Have any announcements recently been made by the management of the C.N.R. with respect to train operations between the above two points in Newfoundland?

3. Is it the intention of the government to request C.N.R. management to ensure the provision of sleeping and dining facilities on trains operating between the above points?

**Mr. McIlraith:** 1. Representations were received by the government from the hon. member for Trinity-Conception and were transmitted to the C.N.R.

2. The management of the railway advise that the usual announcements were made regarding timetable changes effective October 27.

3. This is a matter relating to the internal operation of the railway, and consequently the only action open to the government is to draw to the attention of the management any representations received.

FUMIGATION OF APARTMENTS FOR SERVICE PERSONNEL, HALIFAX

*Question No. 1,479*—**Mr. Crouse:**

1. What is the total number of apartments for naval personnel at Shannon park, Halifax?

2. What is the total number of apartments for army personnel at Windsor park, Halifax?

3. How many of these apartments in each of these areas required fumigation in (a) July (b) August (c) September, 1963?

4. What was the total cost of fumigation in each of these areas in each of the said months?

5. Were tenders called for such works and, if so, what firms tendered, and what is the amount of each of the said tenders?

6. Which of the said tenders was accepted?

**Answer:** 1. 521.

2. 219.

3 and 4. None of these apartments required fumigation. However, pesticidal control treatments were carried out as follows:

Shannon park

(a) 108, (b) 178, (c) 26.

Under contract, inspection and treatment services of all buildings are carried out at an initial treatment cost of $1,980.

(All of these were initial treatment).

Windsor park

(a) 2, (b) 0, (c) 4.

Under contract, inspection and treatment services of all buildings are carried out at a monthly cost of $150.

5. The tender call for Shannon park covered pesticidal control treatments with separate quotations for a call back inspection and additional treatments.

Bids were submitted as follows: Scotia pest control $1,818 initial treatment, plus $8 for a three bedroom unit, $10 for a two bedroom unit and $35 for a basement area on a call back inspection and treatment basis. W. E. Mackie Ltd., $1,980 plus $3, $5 and $40 respectively. Braemar pest control, $8,400 plus $35, $6 and $25 respectively.

The tender call for Windsor park covered monthly inspection of all buildings and regular monthly treatments as required.

Bids were submitted as follows: Scotia pest control, $150 per month; W. E. Mackie Ltd., $175 per month; Braemer pest control, no quotation.

6. Shannon park, W. E. Mackie Ltd.; Windsor park, Scotia pest control.

QUEBEC—JAIL INMATES RELEASED ON PAROLE

*Question No. 1,488*—**Mr. Matheson:**

In the province of Quebec from January 1, 1961, to date (a) how many penitentiary and jail inmates have been released on parole by the national parole board (b) what has been the rate of parole violation in comparison with the national rate (c) how many of the abovementioned parolees have been convicted while on parole of armed robbery and, of these (i) how many had served terms in federal penitentiary (ii) in provincial jails, and (iii) how many had never been in detention before (iv) had exceptions been made under the parole regulations and, if so, to what extent and, under what circumstances?

**Mr. Chevrier:** (a) From January 1, 1961 up to September 30, 1963, 1,610 inmates have been paroled from penitentiaries and provincial prisons in the province of Quebec.

(b) In 1961 the rate of parole violation in the province of Quebec was 11.22 per cent for that year, compared to a national average of 11.84 per cent. In 1962 the rate of violation for the province of Quebec was 11.35 per cent, compared to a national average of 12.18 per cent. We are unable to determine the parole violation rate for the first nine months of 1963, as the information is not yet available.

(c) Of the 1,610 parolees, 19 have been convicted of armed robbery, which is a violation rate for this particular type of offence of 1.18 per cent of the total number of parolees released. (i) Of these 19 parole violators, six had served a term in a federal penitentiary, and (ii) Seven had served a term in a provincial jail, and (iii) Six had never been in detention before. (iv) Exceptions to the parole regulations had been made in two of these cases. In both cases the men involved were in custody for the first time. One exception was to the extent of 12 days on a two year sentence, and the other exception was to the extent of two months on a 12 year sentence. The reason for both exceptions was that a job was available for them at that time, which would not have been available to them later.

SLEEPING RESERVATIONS, C.N.R. OCEAN LIMITED

*Question No. 1,525*—**Mr. Muir (Cape Breton North and Victoria):**

Have any complaints been received by the Canadian National Railways in the last six months in regard to the inability to secure sleeping reservations on the Ocean Limited due to overcrowding and, if so, what remedial action is contemplated to eliminate the causes of these complaints?

**Mr. McIlraith:** The management of Canadian National Railways advises that it is not aware of any complaints. However, it is quite possible, due to the heavy travel on the Ocean Limited, that some patrons have been unable to obtain the type of space desired on the day they wished to travel. Effective October 27, the equipment and schedule of the Scotian have been improved to provide additional sleeping and dining car facilities between Montreal and Halifax.

CONSTRUCTION OF SUGAR BEET REFINERIES IN EASTERN CANADA

*Question No. 1,546*—**Mr. Latulippe:**

Has the government any plans to stimulate the construction of sugar beet refineries in eastern Canada, particularly in the province of Quebec, in view of the present situation in the sugar market?

**Mr. Drury:** No. It is understood that the government of the province of Quebec is currently investigating this matter. No requests for assistance have been received from the province.

ADEQUACY OF AIRSTRIP, ST. JOHN'S, NFLD.

*Question No. 1,549*—**Mr. Tucker:**

1. Have any studies been carried out to determine whether the existing airstrip and other facilities at St. John's, Newfoundland, are adequate to cope with weather conditions and increasing traffic and, if so, what is the nature of the report with regard to these studies?

2. Is any consideration being given to the planning of an additional airstrip in a different location to the one now being used?

**Mr. McIlraith:** 1. The most recent study indicates that the present runways will be adequate to satisfy any foreseeable operational requirement. Certain work, however, is planned to improve the taxiways and apron and consideration is being given to the provision of an instrument landing system on runway 11.

2. While some consideration has been given to the development of an airport at a different location, the matter is not being actively considered at the present time.

CONVERSION OF HANGAR, WHITEHORSE AIRPORT

*Question No. 1,551*—**Mr. Nielsen:**

Is it the intention of the government to proceed with the proposed conversion of "A" hangar for terminal use at the Whitehorse airport (Yukon) and, if so, on what date is it intended to commence work on the project?

**Mr. McIlraith:** Because of the relatively little difference in estimated cost of construction of a new small air terminal building at Whitehorse as opposed to the earlier approved plan of rehabilitating a wartime hangar to serve as an air terminal, it has been decided to proceed with plans for a new building.

In selecting a site for the proposed new building, soil tests had to be undertaken and these were only received at the end of October. In the meantime, preliminary sketch plans have been completed.

It is now the intention to submit a proposal to treasury board seeking approval in principle to construct a new air terminal building at this airport in the near future.

COST OF TELEVISION PROGRAM "TELEPOLL"

*Question No. 1,602*—**Mr. Nielsen:**

1. What is the cost to Canadian National Telecommunications of its participation in the television program "Telepoll" carried on the C.T.V. network?
2. Is the cost of C.N.T.'s participation shared equally with Canadian Pacific Telecommunications?
3. Does C.N.T. have any discretion as to the program content of "Telepoll" and, if so, to what extent?

**Mr. McIlraith:** The management of Canadian National Railways advise as follows:

1 and 2. "Telepoll" is sponsored jointly by Canadian National and Canadian Pacific Telecommunications. Program costs are based on standard C.T.V. network rates and are shared equally by the two companies.

3. The program is planned and produced by Channel Productions Limited for the Canadian television network. The selection of program content rests with the producers, not the sponsors.

SUBSCRIBERS TO HOUSE OF COMMONS DEBATES

*Question No. 1,603*—**Mr. Caouette:**

What was the total number of subscribers to the English and French editions of the *House of Commons Debates* in 1957, 1958, 1959, 1960, 1961, 1962, 1963?

**Mr. Drury:** The debates of the House of Commons are sold and distributed on a sessional basis. Actual circulation figures are only available for the last three sessions.

| | English edition | French edition |
|---|---|---|
| Fifth session, 24th Parliament, (18 January 1961 to 18 April 1962) ..... | 11,163 | 2,587 |
| First session, 25th Parliament, (27 September 1962 to 5 February 1963) | 11,513 | 2,622 |
| First session, 26th Parliament, (16 May 1963 to 2 August 1963 and 26 October 1963 to date) .. | 12,526 | 2,974 |

These figures are maintained for procurement purposes to show the upward or downward trend and, having served this purpose, are not held any longer. The distribution of the debates of the House of Commons, in both languages, has gradually increased over the past sessions and it is expected that this trend will continue.

[Mr. McIlraith.]

C.B.C. REVENUE FROM ADVERTISING

*Question No. 1,606*—**Mr. Orlikow:**

1. Of the $27 million received by the C.B.C. and referred to in the Glassco report (a) how much was received in radio, and (b) how much was received in television?
2. Of the amount received in television, how much was received through Canadian sponsors?
3. How much commission was paid to agencies and what amount was paid to affiliate stations?
4. How much was paid to employees of the advertising sales department of the C.B.C.?

**Mr. Pickersgill:** I am informed by the Canadian Broadcasting Corporation as follows:

1. The amount referred to in the Glassco report is $32,910,000, which is the amount shown as advertising revenue (gross) in the corporation's annual report for the fiscal year 1961-62. (a) $2,562,000. (b) $30,348,000.

2. The explicit amount received from Canadian sponsors is not readily available, but it is estimated to be approximately $26,000,000.

3. As shown in the corporation's annual report 1961-62 commissions to agencies and networks $4,620,000. Payments to private stations $4,851,000.

4. The amount of $1,541,000, shown as Selling expense in the annual report 1961-62 covers all the expenses of the corporation's commercial department, including salaries.

CHARLOTTETOWN, P.E.I.—NEW C.N.R. BUILDING

*Question No. 1,619*—**Mr. Macquarrie:**

1. Is it the intention of the Canadian National Railways to erect a new building at Charlottetown?
2. If so, what is the type of building to be constructed, and when will the project commence?

**Mr. McIlraith:** The management of Canadian National Railways advise as follows:

1 and 2. Consideration is being given to the erection of a new express-freight shed. However, the starting date for construction has not yet been determined.

BREAKWATER REPAIRS, PONDVILLE, N.S.

*Question No. 1,621*—**Mr. Muir (Cape Breton North and Victoria):**

Have tenders been called for breakwater repairs at Pondville, Richmond county, N.S., and, if so (a) what are the names, addresses, and amounts of those who tendered (b) has a contract been awarded and to whom?

**Mr. Badanai:** Yes. (a) The only tender received in response to public advertising was from Gerald J. Forgeron, West Arichat, N.S. at $9,105. (b) Yes, to Mr. Forgeron.

RELEASE OF WEATHER INFORMATION, NORTHWEST TERRITORIES

*Question No. 1,637*—**Mr. Rheaume:**

1. Have any restrictions been put on the release of weather information from D.E.W. line sites through the Department of Transport to commercial carriers operating in the N.W.T.?

2. If so, what are these restrictions and when were they imposed?

3. What is the procedure that must now be followed by a commercial carrier and the Department of Transport to obtain weather information from D.E.W. line stations (a) prior to flight departure (b) during flights?

**Mr. McIlraith:** 1. No.

2. N/A.

3. (a) Information may be requested and obtained from Canadian weather information outlets. (b) Obtained by contacting the D.E.W. line site on the appropriate VHF air to ground facility or by reference to the radio range twice hourly broadcast of reports.

STUDY OF CHESAPEAKE BAY CROSSING PROJECT

*Question No. 1,640*—**Mr. MacLean (Queens):**

1. Has the Department of Public Works made arrangements to study the 17.6 mile combination causeway bridge tunnel crossing Chesapeake bay, which is now in an advanced stage of construction, with a view to determining whether any of the concepts and engineering methods used there would have application in a crossing for Northumberland strait?

2. If not, are plans being made for such a study?

3. Have engineers of the Department of Public Works visited this project to study the problems met, and the methods used to overcome them?

**Mr. Badanai:** 1. Yes.

2. Answered by No. 1.

3. The department has been observing the progress of this project with keen interest and has studied the plans for it and reports on it. Arrangements have also been made for our engineers to visit the site in the near future.

TRADE MISSIONS TO WEST INDIES

*Question No. 1,646*—**Mr. Macquarrie:**

1. Since May 1962, have trade missions been sent to any of the islands in the British West Indies (Antigua, Barbados, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent)?

2. What special assistance, economic, technical or administrative, has been extended to these islands?

**Mr. Pickersgill:** 1. The Canadian trade mission to the Caribbean (appliances and housewares) concludes its business in Trinidad this week, after visiting Jamaica and Barbados. No other Canadian trade mission has visited Barbados or the other islands listed since May 1962.

This trade mission comprised 15 Canadian exporters of consumer goods, particularly electrical appliances, hadware and cutlery, plastic housewares and stationery. It was organized by the Department of Trade and Commerce in co-operation with the Canadian electrical manufacturers association.

2. Under the Canadian bilateral program of grant aid for the commonwealth countries and territories of the Caribbean area, both project assistance and technical assistance have been provided since May 1962 to the islands listed. The projects are: (a) a deep water wharf and warehouse project for the island of St. Vincent was started in 1962 and is scheduled to be completed early in 1964; (b) a quantity of port handling equipment is in the process of being purchased for the islands of Barbados, Grenada, St. Vincent, Dominica and St. Kitts; (c) during the present fiscal year, construction is scheduled to commence on primary schools in Grenada, Antigua and Dominica, and on port warehouses in St. Lucia and St. Kitts; (d) the drilling and developing of fresh water wells is currently being carried out in the islands of St. Kitts, Nevis, Anguilla and Montserrat; (e) a forest survey for the island of Dominica was completed in the summer of 1962.

Under technical assistance arrangements, students have been trained in Canada and Canadian teachers sent to the islands as shown in the following table:

| Country | Students in Canada since May 1962 | Canadian teachers in area since May 1962 |
|---|---|---|
| Antigua ..... | 9 | 2 |
| Barbados ..... | 13 | 1 |
| Dominica ..... | 7 | 3 |
| Grenada ..... | 9 | 3 |
| Montserrat .... | 5 | 1 |
| St. Kitts ..... | 2 | 1 |
| St. Lucia ..... | 2 | 1 |
| St. Vincent ... | 8 | 1 |

FOLLOW-UP PROGRAMS FOR MENTAL PATIENTS

*Question No. 1,655*—**Mr. Orlikow:**

Will the government give consideration to offering financial incentives to public health departments that employ public health nurses or social workers in order to promote home community follow-up programs for patients discharged from mental hospitals?

**Miss LaMarsh:** Federal financial assistance is already provided annually under the terms of the national health grants in support of the development and operation of community public health and mental health programs which employ public health nurses and social workers.

With considerable variation from province to province, patients discharged from provincial mental institutions are visited and followed up under such programs. It would be quite in order for a province to submit further projects under the national health grants for the purpose of extending follow-up programs for patients discharged from mental hospitals.

CF-104 PLANE LOSSES AND REPLACEMENTS

*Question No. 1,658*—**Mr. Lambert:**

1. Since putting into use of the CF-104 Starfighter by the R.C.A.F., how many such aircraft have been

destroyed or retired as being further unserviceable as a result of operations, operational training or instructional training?

2. What is the breakdown as between losses based on (a) Canada (b) Europe?

3. How many CF-104 aircraft have been purchased as replacements for the above losses, over and above the original number of aircraft slated to be required in the CF-104 program?

4. What has been the cost of these additional purchases, if any, and, is it the intention to purchase additional such aircraft to cover possible future losses of CF-104 aircraft?

**Answer:** 1. 11.

2. (a) 5. (b) 6.

3. None, but 16 dual aircraft have been ordered primarily for training purposes which have an operational capability.

4. The estimated cost of the dual aircraft is $27,500,000. No additional purchases are planned.

NUMBER OF UNEMPLOYED, SEPTEMBER 1963

*Question No. 1,665*—**Mr. Latulippe:**

1. How many persons were unemployed during the month of September and, of this number, how many were women and, amongst these (a) how many were married (b) how many were there whose husband was working (c) how many were under twenty years of age?

2. How many men were unemployed during the same month and, of these (a) how many were married and had children (b) how many were under twenty years of age?

3. Of the total unemployed during this month, how many were only temporarily out of work and expected to return to their work or to take a job before November 1, 1963?

**Answer:** 1. As of the week ended September 21, 1963, the number of unemployed in Canada was estimated at 250,000 of whom 58,000 were unemployed women. (a) Of the 58,000 unemployed women, 17,000 were married. (b) Not known. (c) Of the 58,000 unemployed women, 23,000 were 14 to 19 years of age.

2. As of the week ended September 21, 1963, the number of unemployed men in Canada was 192,000. (a) Of the 192,000 unemployed men, 96,000 were married. The number of unemployed married men with children is not known. (b) Of the 192,000 unemployed men, 39,000 were 14 to 19 years of age.

3. Not known. However, as of the week ended September 21, 1963, of the total unemployed of 250,000, 13,000 were on temporary lay-off with definite instructions to return to work within 30 days of the commencement of the lay-off.

AGRICULTURE DEPARTMENT OFFICIALS ACTING AS AGENTS FOR STABILIZATION BOARD, QUEBEC

*Question No. 1,667*—**Mr. Latulippe:**

In what transactions did officials of the dairy products division of the Department of Agriculture act as agents of the agricultural stabilization board during the past two years, in the constituencies of Compton-Frontenac, Megantic, Sherbrooke and Beauce?

**Mr. Hays:** Officials of the dairy products division acted as agents of the agricultural stabilization board in the administration of policies concerning the buying and selling of creamery butter and cheddar cheese.

STABILIZATION BOARD EMPLOYEES, QUE.

*Question No. 1,674*—**Mr. Latulippe:**

What are the names, dates of employment, qualifications and salaries of the officials of the agricultural stabilization board who work in the following constituencies (a) Compton-Frontenac (b) Megantic (c) Sherbrooke (d) Beauce?

**Mr. Hays:** The agricultural stabilization board do not have any officials located outside of Ottawa.

DAIRY PRODUCTS DIVISION EMPLOYEES, QUE.

*Question No. 1,675*—**Mr. Latulippe:**

What are the names, dates of employment, qualifications and salaries of the officials of the dairy products division of the Department of Agriculture who work in the constituencies (a) Compton-Frontenac (b) Megantic (c) Sherbrooke (d) Beauce?

**Mr. Hays:** (a) (b) (c). Mr. R. Levesque, located at St. George de Beauce, works the area of Beauce, Megantic and Frontenac. He has been employed continuously with this division from April 26, 1959. His salary is $5,130 per annum.

(a) (c). Mr. P. E. Leclerc, with headquarters at Sherbrooke, looks after the inspection work in the Sherbrooke, Compton, and part of the Frontenac constituency. He has been employed continuously by this division since December 16, 1957. His salary is $5,130 per annum.

Qualifications for the abovementioned officers require they have at least two years of high school plus graduation from a recognized dairy school. They must also have a thorough knowledge of manufacturing procedures of dairy products.

*REPORT ON JUVENILE DELINQUENCY

*Question No. 1,680*—**Mr. Bell:**

1. Has the Minister of Justice received the report on juvenile delinquency from the departmental committee appointed in January, 1962 and, if not (a) what is the reason for the delay (b) have all meetings and discussions been completed (c) when will the report be handed down?

2. Will the report or any portion thereof be made available to parliament for study?

**Mr. Macdonald:** 1. The report of the Department of Justice committee concerning the nature and extent of the problem of juvenile delinquency and the steps that might be taken to meet it has not yet been received because

members of the committee have found that their ordinary departmental duties seriously limit the time that is available to write the report.

All meetings and discussions by members of the committee with interested individuals and organizations have been completed and it is expected that the report will be available in April, 1964.

The minister, of course, from time to time receives representations concerning amendments to particular provisions of the Juvenile Delinquents Act. All such proposals have been referred to the juvenile delinquency committee. It was to proposals of this limited nature that he referred in response to a question from the hon. member on November 13.

2. When the report of the committee is received a decision will be taken on the question whether it should be made public.

BUTTER SUBSIDY PAYMENTS, COMPTON-FRONTENAC CONSTITUENCY

*Question No. 1,681*—**Mr. Latulippe:**

What amount has the government spent under the 12 cent per pound butter subsidy since March 31, 1963, in the constituency of Compton-Frontenac?

**Mr. Hays:** Claims for the 12 cent per pound butter subsidy in April 1963 and the equivalent payment to eligible producers since that time until October 31, 1963, of 14½ cents per pound on butter fat used for the manufacture of butter, have totalled $275,546 for butter manufactured in creameries located in the constituency of Compton-Frontenac.

DEFINITIONS UNDER EXCISE TAX ACT

*Question No. 1,685*—**Mr. Belanger:**

1. Is a person or a company repairing automotive engines, automobile fuel pumps or television screen tubes defined as a manufacturer under the terms of the Excise Tax Act and, if so, what are the defining terms used in the act or regulations?

2. Does the Excise Tax Act or regulations thereunder define the meaning of a customer, a producer or a manufacturer and, if so, what is such definition?

3. Does the Excise Tax Act or regulations state the percentage of the primary sales price that may be used to repair an article before it is considered as a new article and once more liable to tax and, if so, what is that percentage?

**Mr. Garland:** 1. Rebuilding or remanufacturing is distinct from repairing and falls within the definition of "manufacturer" appearing in the Excise Tax Act and amplified by court decisions.

2. There is no definition of "customer" in the Excise Tax Act and, in general, definition of the word is that found in the dictionaries and in common usage. The definition of "manufacturer" is explained in (1) above. In certain circumstances covered by specific regulation or instruction, the words "wholesaler", "retailer" and "user" are defined for purpose of that regulation or instruction.

3. There is no single test as to what constitutes manufacturing as distinct from repairing. The nature of the manufacturing or repairing operations, the ownership or other rights to the goods and the relative value of parts and components to the total value of the article are some of the factors used in determining whether or not an article is being manufactured. No percentage figure is used in the current regulations.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

ADMISSIONS TO CANADA BY ORDER IN COUNCIL

*Question No. 1,425*—**Mr. Peters:**

1. How many persons were admitted to Canada under order in council between the years 1950 and 1960?

2. What are the numbers of these orders and the names and addresses on those included in each order, signifying in each case those recommended by members of parliament for inclusion following the amnesty provision for those illegally admitted?

3. How many were included in these orders in council, and what adjustments have been made to correct improper information in the order in council, giving the number of P.C. order in each case?

WINDSOR STREET POST OFFICE, MONTREAL—EXTRA HELP

*Question No. 1,460*—**Mr. Valade:**

What are the names and addresses of the persons residing in Montreal who were hired as supernumeraries for the Windsor street Post Office, between April 8, 1963 and October 23, 1963, and on what date was each of them employed?

Return tabled.

## MOTIONS FOR PAPERS

IMMIGRATION ORDERS IN COUNCIL

*Motion No. 111*—**Mr. Peters:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all orders in council covering immigration for the years 1955, 1956, 1957, 1958, and 1959, and to include any corrections that have been brought to the attention of the government as a consequence of the immigration amnesty order, together with recommendations instituted by members of parliament concerning individuals covered by such orders in council.

He said: Mr. Speaker, I ask permission of the house to withdraw this motion.

**Mr. Speaker:** Agreed?

**Some hon. Members:** Agreed.

Order discharged and motion withdrawn.

*Motions for Papers*

LEASING OF GOVERNMENT ELEVATOR, PRINCE RUPERT, B.C.

*Motion No. 164*—**Mr. Howard:**

That an order of the house do issue for a copy of all correspondence, telegrams, and other documents received or sent by the Minister of Agriculture, the board of grain commissioners or any other department or agency of government since January 1, 1962, dealing with the possibility of leasing the Canadian government elevator at Prince Rupert, B.C.

**Mr. Tremblay:** Mr. Speaker, this motion is acceptable to the government.

Motion agreed to.

LEVEL CROSSING REPLACEMENT, LAC MEGANTIC, QUE.

*Motion No. 165*—**Mr. Latulippe:**

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 since 1955 between the Minister of Public Works and the town of Lac Megantic with regard to the replacement of level crossings in that town.

[*Translation*]

He said: Mr. Speaker, I was offered the opportunity to go and consult those documents myself at the Department of Transport, and I shall gladly do so.

**Mr. Speaker:** I am sorry but I did not hear what the hon. member has just said.

**Mr. Latulippe:** Mr. Speaker, I was told that I could go and consult those documents at the board of transport commissioners. Since the file is quite voluminous and that a great deal of work would be saved if I went myself to the board of transport commissioners in order to consult those documents, I am willing to do so.

[*Text*]

Order discharged and motion withdrawn.

RELOCATION OF RAILWAY TRACKS, LAC MEGANTIC, QUE.

*Motion No. 166*—**Mr. Latulippe:**

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 since 1955 between the Minister of Transport or any official of his department, and on the one hand officials of the Canadian National Railway and the Canadian Pacific Railway; and, on the other hand, the town of Lac Megantic, with regard to the removal of level crossings in that town and the relocation of the railway tracks.

**Mr. McIlraith:** Mr. Speaker, there are no papers under the motion as drafted, but I understand that what the hon. member wants is the correspondence with the board of transport commissioners, who are responsible for the administration of this matter. If he is satisfied to make the necessary amendment by substituting "board of transport commissioners" for "transport department", then there is only one other objection to the motion, in that there is a tremendously large file of correspondence involved. I have arranged with the hon. gentleman that he can go to the board of transport commissioners and select those letters and documents he would wish to have tabled and they will be tabled. Subject to these remarks, there is no objection to the motion carrying.

**Mr. Speaker:** The motion is accepted subject to the reservation of the minister.

Motion agreed to.

POST OFFICE DEPARTMENT CORRESPONDENCE RESPECTING JOLIETTE-L'ASSOMPTION-MONTCALM CONSTITUENCY

*Motion No. 168*—**Mr. Choquette:**

That an order of the house do issue for a copy of all correspondence received by the postmaster general or any official of his department, since April 1, 1958, in connection with post offices, rural mail delivery or any other services which fall under the jurisdiction of his department in the constituency of Joliette-L'Assomption-Montcalm.

[*Translation*]

**Mr. Denis:** Always subject to the usual reservations.

[*Text*]

**Mr. Speaker:** Subject to the reservation made by the minister the motion is accepted.

Motion agreed to.

TELEGRAM FROM B.C. FISHERIES ASSOCIATION

*Motion No. 169*—**Mr. Howard:**

That an order of the house do issue for a copy of the telegram received from the fisheries association of B.C. which was referred to and quoted in part by the Minister of Fisheries at page 2945 of the *House of Commons Debates* for August 2, 1963.

**Mr. Pickersgill:** Mr. Speaker, I wonder whether the hon. gentleman would allow this motion to stand today?

**Mr. Howard:** Mr. Speaker, I am glad to co-operate with the Secretary of State any time today.

**Mr. Speaker:** Stand.

Motion stands.

SELLING AND PRICING OF NEW DRUGS

*Motion No. 170*—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of telegrams, correspondence, and other documents exchanged between the government, the restrictive trade practices commission, or the combines investigation branch, and any person, organization, or company since January 1, 1961, regarding the question of hearings by the restrictive trade practices commission concerning

the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs.

He said: May I ask that this motion stand, Mr. Speaker?

**Mr. Speaker:** Stand.

Motion stands.

## EXTERNAL AFFAIRS

### CUBA—STATEMENT ON POSITION OF ARRESTED CANADIAN CITIZENS

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Yesterday the Prime Minister promised to make a statement regarding the two Canadians who are being held prisoner by the Cuban authorities, particularly with reference to whether their trial would be a public trial, and second as to whether the Canadian government would assure themselves that these men would have adequate counsel.

**Right Hon. L. B. Pearson (Prime Minister):** Yes, Mr. Speaker. I am now in a position to give further information on some of the questions which were asked yesterday. The hon. member for Oxford asked what could be the maximum sentence which might be imposed on the Canadian prisoners. The state prosecutor in Havana has asked in the indictment that the two pilots be given the death penalty.

The right hon. Leader of the Opposition inquired whether the trial would be held in public. We have been told that the trial will be held in public and that local and Canadian correspondents will be permitted to attend. An officer of the Canadian embassy in Havana will also be allowed to be present.

The hon. member for Burnaby-Coquitlam a moment ago, and the Leader of the Opposition earlier, inquired about defence counsel. With regard to Canadian counsel, the Secretary of State for External Affairs informed the house on November 14 that we had asked the Cuban authorities that Canadian counsel be permitted but that our request had been denied. There has been no change in that regard. We are informed that the participation of foreign counsel is not permitted under the Cuban system. However, with the help of our embassy in Havana, each of the accused has now secured his own Cuban defence counsel.

Beyond this, Mr. Speaker, I feel I should not go at this time. I should like to emphasize, however, that the government is following the case with the closest attention and the most serious concern, and is in contact with the foreign ministry in Havana and the Cuban ambassador here. At all times, Mr. Speaker, we have been concerned for the welfare of these two Canadian citizens and are doing everything we can for them. Likewise, Mr. Speaker, we would not wish to do or say anything at this moment that might not be in their interests.

**Mr. W. R. Nesbitt (Oxford):** Mr. Speaker, a supplementary question in view of the Prime Minister's reply. In the event that the two accused Canadians in Cuba did not, in the opinion of the government, receive a fair trial as we understand it, would the government make clear to the government of Cuba in this eventuality that possible retaliatory measures might be considered by the Canadian government?

**Mr. Pearson:** I do not think it would be in the interests of the prisoners themselves at this moment to go beyond what I have already said on the eve of their trial.

### RUSSIA—REPRESENTATIONS RESPECTING PERSECUTION OF JEWS

On the orders of the day:

**Right Hon. L. B. Pearson (Prime Minister):** Yesterday, Mr. Speaker, I was asked a question by the right hon. Leader of the Opposition about persecution of the Jews in the Soviet union and whether the Canadian government had made any representations on this matter to the Soviet embassy. I have an answer, Mr. Speaker, and it is rather longer than I would like, but it is a very complicated and difficult question so I hope the house will bear with me.

The government has received occasional representations from various Jewish organizations in Canada on the question of anti-semitism in the Soviet union. Several of the representations have related specifically to the numbers of Jews convicted for economic misdemeanors and sentenced to death or long prison terms.

I find it particularly unfortunate that any government should find it necessary to resort to those penalties for economic crimes which were abandoned in many countries of the world at least a century ago. Although the penalties have been levied against persons of various nationalities and faiths within the U.S.S.R., the disproportionate number of Jews given severe sentences may reflect the historical tradition of anti-semitism which has prevailed among the population, even though there is no evidence to suggest a state program encouraging anti-semitic tendencies. There is also an element of religious persecution within the U.S.S.R. which is directed not only against the Jews but also against Christians, Muslims and other religious believers. I am sure that not only the government but all the members of this house would join in condemning such persecution in all

its forms, whether in the Soviet union or elsewhere throughout the world.

Despite our concern, we have not made representations to the Soviet embassy on the specific question of anti-semitism in the U.S.S.R. If such representations were contemplated the more appropriate channel would be to make an approach directly to the Soviet authorities through the Canadian embassy in Moscow. However, I should remind my right hon. friend who asked the question of the fact that there is in the Soviet union a deep-seated suspicion of cosmopolitanism, that is a mistrust of elements in the population and particularly of minority and religious elements which the Soviet authorities fear might have international connections and loyalties which could conflict with their allegiance to the U.S.S.R. Because of this consideration, Mr. Speaker, the present government, as did the previous administration, wishes to avoid any official action which, by emphasizing the Soviet suspicion of the international affiliation of the Jews, might provoke further restrictions against the Jewish community in the U.S.S.R.

**Mr. Stanley Knowles (Winnipeg North Centre):** May I ask a supplementary question. Can the Prime Minister ascertain whether there has been correspondence between the government and the Canadian Jewish Congress on this matter, and if so, could the correspondence be tabled?

**Mr. Pearson:** Yes, Mr. Speaker, there has been correspondence on this matter, but I am not familiar with the details of it at the moment. However, I shall be glad to collect that and see if it could be tabled.

## NATO—U.S. REPRESENTATIONS RESPECTING TRADE WITH COMMUNIST COUNTRIES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I had hoped that the Prime Minister, while he was on his feet, would make some reference to the question that was asked yesterday about the NATO ministerial conference and the position which Canada is taking with reference to the United States proposal to curtail credits to the Soviet union to a period of five years.

**Right Hon. L. B. Pearson (Prime Minister):** Now that I am on my feet again Mr. Speaker, I will be glad to say a word about that. I had intented to because, as my hon. friend knows, I was asked yesterday whether any representations had been received by the Canadian government from the United States government concerning the need for general agreement among NATO nations on trade with the communist block.



While no direct representations have been received on this subject from the United States government, we have been kept informed of United States thinking on this and it was, of course, the subject of discussion at a special meeting of the NATO council on Monday of this week, at which the Secretary of State for External Affairs was present and at which the United States delegate made a proposal concerning the undesirability—and I am just paraphrasing what he said—of granting credits for trade with communist countries beyond a five year period.

The Canadian delegate, the Secretary of State for External Affairs, joined the United Kingdom and certain Scandinavian delegates in opposing that proposal. My hon. friend the Secretary of State for External Affairs will be back in the house tomorrow, or at the latest on Friday, and he will make a more extended statement on this matter at that time.

## SUGAR

### REQUEST FOR ACTION RESPECTING RISING PRICES

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the Prime Minister. The question is somewhat unusual, but it is of urgent and country-wide importance. Has the Prime Minister received representations from some of his supporters in this house urging him to adopt the New Democratic party price control policy on sugar by the introduction of a measure to give effect to such policy? Is so, what action does he intend to take?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the only representations I have received to adopt the policies of the New Democratic party have been from members of that party themselves. On this particular point I have not received the representation my hon. friend talked about, but I do note, as no doubt he has noted, that the price of sugar has dropped $1.80 per hundred in the last day or two.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question. A week ago the Minister of Trade and Commerce indicated that negotiations were going on with the sugar exporting countries in the commonwealth regarding the possibility of Canada entering into an agreement for the bulk purchase of sugar at a negotiated price. Are those consultations continuing? What progress is being made, and how soon is the government expecting to make a contract with the sugar industry?

**Mr. Pearson:** Negotiations are going on. I will bring my hon. friend's question to the attention of the minister, who is not in the

house this afternoon, and he will make a statement at the earliest possible moment on the consultations, and on any decisions taken resulting from them.

[*Translation*]

**Mr. Speaker:** Does your question deal with sugar?

**Mr. Gregoire:** No, Mr. Speaker.

[*Text*]

**Mr. Reid Scott (Danforth):** A supplementary question. A week or so ago, the Minister of Justice told us his officials are studying the situation in England where there is a sugar board and where long term contracts have been instituted. Has he anything further to report to the house as to the adaptability of this system to Canada?

**Hon. Lionel Chevrier (Minister of Justice):** The director of research and investigation did go to London and did have talks with the chairman of the board there. Those talks were satisfactory. The Minister of Trade and Commerce dealt with them in his statement, and I should not like to add to what was said at that time.

REQUEST FOR PROMOTION OF GREATER DOMESTIC PRODUCTION

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, in the absence of the Minister of Agriculture, I direct my question to the hon. candidate for the office of minister of agriculture for the east.

Considering the prohibitive price of sugar due to our inadequate national production in that field, does the government intend to give some impetus to sugar beet growing in Canada?

**Hon. Rene Tremblay (Minister without Portfolio):** Mr. Speaker, I shall call the attention of the Minister of Agriculture to the problem raised by the hon. member for Villeneuve.

[*Text*]

## NORTHERN AFFAIRS

QUEBEC—CLAIM TO OWNERSHIP OF ISLANDS IN HUDSON BAY

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I ask the Minister of Northern Affairs and National Resources a question?

Has the minister received from the province of Quebec a request concerning the ownership of the islands located in Hudson bay and James bay, in territorial waters, that is within the three mile limit at low tide?

[*Text*]

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** No, sir; no such request has come to my attention.

QUEBEC—REQUESTS FOR TENDERS NOT IN FRENCH LANGUAGE

On the orders of the day:

[*Translation*]

**Mr. Robert Beaule (Quebec East):** Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources a question. Could the minister tell the house why the tenders called for the drilling to be done under the Dufferin terrace were not published in the French language newspapers, and particularly in those of Quebec city?

[*Text*]

**Hon. Arthur Laing (Minister of Northern Affairs and National Resources):** I will take the question as notice, and I hope to give a reply to my hon. friend as soon as possible.

## PUBLICATIONS

COMPETITION WITH CANADIAN EDITIONS OF U.S. MAGAZINES

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** I should like to ask the Prime Minister if he can give a reply to the question I raised regarding the grievous position, or whether there is a grievous position, of Canadian publications at the present time, on which the government may intend to act.

**Right Hon. L. B. Pearson (Prime Minister):** This matter is still under consideration. I hope to make an announcement with regard to possible government policy in this field in a few days, perhaps toward the end of the next week.

**Mr. Fisher:** A supplementary question. I base it upon the fact that most of us are still getting representations about this matter. I should like to ask the Prime Minister directly whether he feels that there is indeed a grievous situation here, in economic terms, for these publications.

**Mr. Pearson:** I am informed by those who are qualified to speak for the publications in question that there is indeed a serious economic situation.

*Inquiries of the Ministry*

## TRANS-CANADA AIR LINES

INQUIRY AS TO PURCHASE OF CARAVELLE PLANES

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the many representations from Quebec and the serious unemployment situation in that province, does the government intend to recommend the selection of Caravelle aircraft by T.C.A., in order to give work to the employees of Canadair?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** We will be discussing unemployment at the forthcoming conference with the provinces. On the special point raised by the hon. member, I hope to be able to make an announcement within a few days.

## TRADE

BREAD—PROPOSED PROHIBITION OF IMPORT INTO NEW YORK STATE

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, in the absence of the Minister of National Revenue, I wish to direct my question to the Prime Minister. Is he aware of a bill introduced in the legislative assembly of the state of New York with a view to prohibiting the importation of Canadian bread in that state?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** No, I have not been advised of that resolution, although I have seen a reference to it in the press. I will be glad to look into the matter.

## POST OFFICE DEPARTMENT

USE OF WORDS "POSTES" AND "POSTAGE" ON STAMPS

On the orders of the day:

[*Translation*]

**Mr. Jean Chretien (St. Maurice-Lafleche):** Mr. Speaker, I wish to direct a question to the Postmaster General. In view of the reports published in some newspapers, can the minister tell the house if it is true that the words "Postes" and "Postage" used by the Post Office Department will disappear?

**Hon. Azellus Denis (Postmaster General):** Mr. Speaker, in reply to the hon. member's question, I must say that nothing will be done to change the bilingual character of postage stamps in 1964. As a matter of fact, one will bear the word "Canada", a bilingual word which is very easy to say in both French and English. As far as the others are concerned, they will bear, instead of the words "Postage" or "Postes", another bilingual inscription, to confirm our country's distinctive bilingual character.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, may I ask the Postmaster General a supplementary question? Does he not think the time is ripe for him to have his picture on postage stamps?

**Mr. Denis:** Mr. Speaker, perhaps we ought to have the portrait of the hon. member for Villeneuve put there instead, since he is not long for this world, politically speaking, and he will die eventually. In any case, he is surely aware of the fact that only dead people have their pictures on postage stamps.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** A supplementary question, Mr. Speaker. Since the words "Postes" and "Postage" are to be removed from postage stamps and, as a result, it will be impossible in other parts of the world to know that Canada is a bilingual country, does not the minister feel he ought to reconsider the decision taken and leave those two words there?

**Mr. Denis:** Mr. Speaker, even if the words "Postes" and "Postage" do not appear on postage stamps, we could still read on them, for instance, "Conférence de Charlottetown" and "Charlottetown Conference".

[*Text*]

## TRANSPORT

NOVA SCOTIA—REPORTED CANCELLATION OF SATELLITE TRACKING STATION

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** May I ask the Minister of Transport if it is correct that the nimbus satellite tracking station proposed for Neil's Harbour will be cancelled because the Canadian government refuses to provide the housing requirements for personnel who would be employed there.

**Hon. G. J. McIlraith (Minister of Transport):** No, that is not correct.

**Mr. Muir (Cape Breton North and Victoria):** May I ask a supplementary question. When is this government going to stop playing touch football with such questions as the Newfoundland ferry and the heavy water plant?

**Mr. McIlraith:** I do not understand touch football as the hon. member does.

**Mr. Muir (Cape Breton North and Victoria):** With respect, sir, that is not the only thing you do not understand.

CHIGNECTO—REQUEST FOR REPORT BY DEVELOPMENT BOARD

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Can the Secretary of State inform the house if the Atlantic development board is presently giving consideration to a study of the Chignecto complex?

**Hon. J. W. Pickersgill (Secretary of State):** I am afraid I could not hear what the hon. gentleman said.

**Mr. Coates:** Can the Secretary of State inform the house if the Atlantic development board is presently giving consideration to a study of the Chignecto complex?

**Mr. Pickersgill:** I believe so, sir.

**Mr. Coates:** I wonder if the Secretary of State would check and find out for certain, and give the house some indication when we might expect a report.

**Mr. Pickersgill:** I shall be glad to do that when the officials are back from Newfoundland and I can get in touch with them readily.

## NATIONAL DEFENCE

NUCLEAR WEAPONS—INQUIRY AS TO STORAGE ON CANADIAN SOIL

On the orders of the day:

**Mr. Eldon M. Woolliams (Bow River):** I should like to put a question to the Minister of National Defence. Have we now any nuclear weapons, in one form or another, stored on Canadian soil?

**Hon. Paul Hellyer (Minister of National Defence):** Not that I am aware of, Mr. Speaker.

**Mr. Woolliams:** May I ask a supplementary question. If we have them stored on Canadian soil, would the minister be aware of that situation?

**Mr. Hellyer:** I would hope to be, Mr. Speaker.

**Mr. Douglas:** We hope you would be, too.

## PRIVILEGES AND ELECTIONS

SUGGESTED APPEARANCE OF PRIME MINISTER BEFORE COMMITTEE

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to ask the Prime Minister whether it is his intention to appear before the standing committee on privileges and elections to outline to that committee the details of the government's program for making a contribution from the public treasury toward the costs incurred by parties and candidates during election campaigns?

**Right Hon. L. B. Pearson (Prime Minister):** I have not been invited to appear before the committee, so the question is indeed hypothetical.

## AGRICULTURE

FEED GRAIN—PRICES PAID BY EASTERN FARMERS FOR WESTERN GRAIN

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** I had a question for the Minister of Agriculture or for the Minister of Trade and Commerce, but since they are both absent today I shall direct my question to the Prime Minister. Will the Prime Minister assure the house the government will investigate the reason eastern farmers have to pay such a high price for grain produced in the western provinces?

**Mr. Woolliams:** Because we produce a good quality grain.

**Right Hon. L. B. Pearson (Prime Minister):** The grain is of good quality, but I shall be glad to look into the matter. However, I do not believe this is a suitable question for orders of the day.

**Mr. Langlois:** May I ask a supplementary question of the Prime Minister. I know that the western farmers produce good wheat—

**Mr. Speaker:** Order.

**Mr. Langlois:** —but we have been asking this question for quite a long time—

**Mr. Speaker:** Will the hon. member please take his seat when I am on my feet? Is the hon. member putting a question?

**Mr. Langlois:** Yes. I have been putting it for months, Mr. Speaker, and I still have not had an answer from the government. I went to the Prime Minister this time, and he gave an arrogant answer which was not in keeping with what should be an answer on the part of the government.

**Mr. Speaker:** I am sure the hon. member got rather tied up in the form and phrasing of his own question. If he does not realize it, I should tell him that is not the type of question one should put. I am sure he will take notice of that.

**Mr. Langlois:** Mr. Speaker, I will rephrase the question I asked the Prime Minister. Is it the intention of the government to investigate the operations of the grain exchanges as to the difference in prices of wheat between eastern and western farmers?

**Mr. Pearson:** With great respect, I do not think this is the kind of question I can answer on orders of the day.

**Mr. Langlois:** On a question of privilege, Mr. Speaker, I have been coming back to this question for the past month, and all we have got on the part of the government have been delays—

**Mr. Speaker:** Order.

**Mr. Langlois:** —and arrogance without precedent.

**Mr. Speaker:** Order. This is the second time this afternoon I have to ask the member to resume his seat when I am speaking. If he would refer to the rule book he would see he has to keep his seat.

**Mr. Langlois:** With all due respect to Your Honour I would still like the government to answer normal questions when they are asked, and then maybe I would not have to get up and call on the rule book and have Your Honour make statements every so often.

**Mr. Speaker:** Order.

## POWER

### COLUMBIA RIVER—SUPPORT FOR VIEWS OF MEMBER FOR KOOTENAY WEST

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** I should like to ask the Prime Minister a question, and it is a rather unusual one. During the last week or two has the Prime Minister received correspondence from Liberal candidates who ran in the Kootenay or Okanagan areas advising him that they are supporting the hon. member for Kootenay West with regard to his views on the Columbia river?

**Right Hon. L. B. Pearson (Prime Minister):** I cannot recall receiving any communication of that kind with that kind of suggestion, that I should support the hon. member for Kootenay West. I may have received it, and I will look into that matter because it is very important.

### COLUMBIA RIVER—INQUIRY AS TO RENEGOTIATION OF TREATY

**Mr. D. V. Pugh (Okanagan Boundary):** Mr. Speaker, may I ask a question of the Prime Minister. Yesterday, in regard to the Columbia river treaty, the Prime Minister said that the governments of the province of British Columbia and the United States were working together on the downstream benefits; that is, as to the sale price. Is Canada participating in those negotiations?

**Right Hon. L. B. Pearson (Prime Minister):** Yes indeed, Mr. Speaker, the federal government is participating in these negotiations.



**Mr. Pugh:** A supplementary question, Mr. Speaker. Are those negotiations going on fairly continuously, or have they stopped?

**Mr. Pearson:** They are going on fairly continuously, Mr. Speaker. I am not sure of all the details, but I know that technical committees were set up, representing all the parties to the discussion, to look into some of the technical questions. I believe those discussions are completed, or almost completed, and that there is to be a discussion next week on a rather different level. I will look into the matter and obtain more details for my hon. friend.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question, Mr. Speaker. In the event of agreement being reached among the three parties concerned, is it still the Prime Minister's intention to refer this treaty to the external affairs committee of the House of Commons before proceeding with it in the house?

**Mr. Pearson:** I think, Mr. Speaker—and again I speak subject to correction—the commitment has already been given that the treaty, when all the difficulties that have been encountered have been removed and the treaty has been signed, will be referred to the external affairs committee of the house before ratification.

## SHIPPING

### ST. LAWRENCE RIVER—REPORTED OFFER OF RUSSIAN ICEBREAKERS

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I should like to ask the Prime Minister a question. Is the government ready to accept the offer made by Russia to send its own icebreakers to the St. Lawrence river in order to keep it open so as to expedite the shipping of Canadian wheat to that country?

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I know of no such offer. In any event, we have our own Canadian facilities which I hope are adequate for this purpose.

**Mr. Eldon M. Woolliams (Bow River):** Mr. Speaker, I wish to direct a supplementary question to the Prime Minister in reference to the question asked by the hon. member for Joliette-L'Assomption-Montcalm concerning Canadian shipping facilities. Have the Canadians got facilities to keep the St. Lawrence waterway and other waterways open,

in order to ship wheat out of our ports during winter time?

**Mr. Pearson:** As my hon. friend knows, we have icebreakers that are used for that purpose.

**Hon. George C. Nowlan (Digby-Annapolis-Kings):** As a supplementary question to the Prime Minister, is he suggesting, although I am sure he is not, that icebreakers will be used to interfere with the traditional position of the Atlantic ports in handling wheat shipments?

**Mr. Pearson:** I quite understand my hon. friend's preoccupation with that question. I hope nothing I have said will add to his preoccupation in that regard.

**Mr. Nowlan:** Or to my worries.

[*Later:*]

**Mr. Thomas M. Bell (Saint John-Albert):** Mr. Speaker, may I direct a question to the Secretary of State. In view of what has been said about icebreakers on the St. Lawrence, will the Secretary of State contact the Atlantic development board officials as soon as he can communicate with them, and try to arrange hearings in Saint John about this matter of winter navigation, which is now under consideration by the board?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I shall be glad to bring the hon. gentleman's speech to the attention of the board.

## UNITED NATIONS

COMMONWEALTH SEAT ON SECURITY COUNCIL

On the orders of the day:

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, while I am on my feet may I answer a question asked yesterday by the hon. member for Oxford, who inquired about consultations now under way at the United Nations in preparation for the forthcoming debate on the question of enlarging the security council.

The principal aim of the Canadian delegation in these talks, and at meetings of the commonwealth group, has been to emphasize the importance of retaining the commonwealth seat. Pressure for enlargement has developed, notwithstanding Soviet opposition, from the newer member states of Asia and Africa. In their view geographical considerations should be accorded greater importance than others in determining the composition of the council.

This has an obvious threat to the seat which is normally held by a commonwealth member. We are doing all we can to drive home the point that states which contribute significantly to the maintenance of peace and security should be assured of a reasonable prospect for equitable representation on the security council. The commonwealth has an outstanding record of contribution in this regard, and we believe that contribution deserves recognition in the allocation of seats on the security council.

## BUSINESS OF THE HOUSE

LANDS, FORESTS AND WATERS—INQUIRY AS TO MEETING OF COMMITTEE

On the orders of the day:

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, I have a question for the Secretary of State. In his capacity as house leader could he make the necessary arrangements to call together the committee on lands, forests and waters while the members of the Northwest Territories council are still in the city? I am sure my hon. friend the Minister of Northern Affairs and National Resources would agree it would be a very useful and helpful exercise to have the members of the committee meet these distinguished northerners.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, as house leader I did everything I could in this regard by moving the motion drafted by the hon. member for Peace River. The committee has been in existence for months. I will try to act as an honest broker and see if we can do a little more to get the committee to meet.

## PENSIONS

SUGGESTED REFERENCE OF PLAN TO HOUSE COMMITTEE

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I would like to direct a question to that honest broker, the Secretary of State, the hon. member for Bonavista-Twillingate, the house leader. Would the minister discuss with his colleague, the Minister of National Health and Welfare, the possibility of bringing before the house a motion to refer the subject matter of the Canada pension plan to an appropriate committee, without prejudice to the right of the legislation to remain on the order paper and without prejudice to the right of the house to proceed with the legislation at any time?

**Hon. J. W. Pickersgill (Secretary of State):** No, sir. I think that would be a most undesirable thing to do on the eve of the federal-provincial conference. It seems to me, from what I read in the public press, that we have enough committees at the present time competing for the attention of hon. members,

and I doubt if an academic exercise of the kind suggested by the hon. gentleman at this stage, before the federal-provincial conference, would further the end he has in view.

**Mr. Knowles:** As a supplementary question, Mr. Speaker, will the government consider such a proposal immediately after the federal-provincial conference has been held?

**Mr. Pickersgill:** Mr. Speaker, it seems to me this is a matter in which the government should take its responsibility in the normal way, according to the rules of the house.

**Mr. Knowles:** That is what it should do.

## NATIONAL CENTENNIAL ACT

### AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

The house resumed, from Tuesday, November 19, consideration in committee of the following resolution—Mr. Pearson—Mr. Batten in the chair:

That it is expedient to amend the National Centennial Act to change its short title from the National Centennial Act to the centennial of confederation act and to change the title of the national centennial administration to that of the centennial commission; to provide also that the centennial commission shall consist of a commissioner, an associate commissioner and not more than twelve directors in lieu of eight directors and to provide further for certain administrative changes in connection therewith.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, following my remarks of yesterday, I should like to deal today with a most important point.

The hon. member for Marquette (Mr. Mandziuk) wanted to know what it is we would like to change in our Canadian constitution, in the British North America Act. We said that we would like to modify the way the British North America Act has been enforced, and the constitution carried into effect.

I have here the British North America Act, and I would like to show the house that this act has been violated several times by the federal government and that when there was violation of the B.N.A. Act, it was not done by the provinces to the prejudice of the federal government, but by the federal government to the detriment of the provinces.

If one reads clause 91 of the British North America Act and considers the various matters which are the federal government's responsibility, one finds that never did the provinces interfere in the fields placed under the federal jurisdiction.

For instance, let us take the first point:

Amendments concerning the legislative authority of the parliament of Canada.

Never did the provinces interfere in that field. Second:

The public debt and property;

[Mr. Pickersgill.]

The provinces did not busy themselves with what concerns the federal public debt. Here is another point.

Unemployment insurance;

The provinces did not enter that field either.

And then:

The borrowing of money on the public credit.

The provinces were not concerned with that field.

And further:

Postal service;

The Postmaster General himself would be the very first to say that the provinces never concerned themselves with that matter.

And, further on, we find:

The census and statistics;

The same can be said here.

Further along we see:

Militia, military and naval service, and defence;
Navigation and shipping;
Currency and coinage;
Banking, incorporation of banks and the issue of paper money;
Weights and measures;
Bills of exchange and promissory notes;
Interest;
Patents of invention and discovery;
Copyrights.

In every case, it may be noted that the federal government has been free to legislate in those fields, and that the provincial administrations did not deal with those matters, which are under federal jurisdiction.

On the other hand, if we read clause 92, which lists the exclusive powers—I repeat "the exclusive powers of provincial legislatures"—and consider, among others:

The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions—

—we find that, through its hospital insurance scheme, the federal government did enter that field.

[*Text*]

**The Deputy Chairman:** Order. I think considerable leniency has been shown in this debate, but I fear we are getting away from the resolution before the committee.

[*Translation*]

**An hon. Member:** Everyone spoke of just about anything yesterday.

**Mr. Gregoire:** We are speaking of the centenary of confederation and it is in connection with the celebration of that event that I am referring to the act which established confederation. I feel my remarks are entirely relevant, considering especially the speeches which were made by those who spoke before me in the house. In my opinion, I am not straying from the subject under consideration by mentioning the act on which confederation

is based. Since we are speaking of the centenary of confederation, we have to go back to the origins of confederation if we wish to celebrate that event which occurred 100 years ago. I am just going back to the origins.

Paragraph 8 of section 92 reads as follows:

Municipal institutions in the province;

The legislation concerning loans to municipalities, winter works, etc., shows once more that the federal government has infringed upon provincial jurisdiction.

A quick look at section 93 of the British North America Act, which deals with education, shows that the government has violated provincial autonomy by providing assistance for universities and vocational training establishments.

That is because the government does not abide by paragraph 2 of section 92 which states:

Exclusive powers of provincial legislatures.
Direct taxation within the province in order to provide the raising of revenue for provincial purposes.

In other words, direct taxation comes under the provinces, not under the federal government.

It is precisely because this clause of the constitution has been violated that today so many problems crop up in the path of confederation.

When the hon. member for Port Arthur (Mr. Fisher) asks us what we complain of, then I answer him that we complain of the Canadian constitution not being respected today by the federal government, for they infringe upon the rights of the provinces; and the day such infringement by the federal government stops, we will no longer complain about confederation.

The hon. member for Port Arthur could perhaps take time off to study that clause of the British North America Act, the Canadian constitution; perhaps he would then understand our complaints and would no longer tell us that his knowledge of the French Canadians of the province of Quebec is restricted to Lili St. Cyr and Maurice Richard.

Mr. Chairman, 95 years after confederation, the hon. member for Port Arthur, a former professor, comes and tells us that it is all he knows about the province of Quebec; he certainly has much to learn about our culture.

Had he opened his eyes a little more, he would have seen that we have not only Lili St. Cyr and Maurice Richard, but also great artists such as Raoul Jobin, Leopold Simoneau, Richard Verreau, Wilfrid Pelletier, who have given brilliant performances on the most famous stages in Canada and in Europe.



We have had great artists, scientists, doctors, engineers, who have been a credit to the French Canadian nation.

Had he studied a little more, he would have learned that we have had great statesmen, such as Henri Bourassa, and great politicians, such as Sir Wilfrid Laurier.

Mr. Chairman, we may tell him that we know also some great English Canadian artists, great singers, such as John Vickers and James Milligan, and the hon. member for Marquette should certainly know about Irene Salemka, who performed on the stage of the Hamburg and Vienna operas.

We know them because we opened our eyes on the whole of the English Canadian civilization, and the hon. member for Port Arthur should have opened his eyes as we did, to see what was going on on the other side. But he did not; that is why he stated there is only Lili St. Cyr and Maurice Richard as products of the province of Quebec.

Well, Mr. Chairman, I can tell him that we are proud of Maurice Richard, who was a great player on a wonderful hockey team. I can tell him also that he should have opened his eyes to see all our artists and actors who are a credit to Canada on the international scene. Furthermore, I can tell him that, for one who is a school teacher, I find him ignorant for not knowing those things. It may well be that, according to his standards, the value of a man is determined by the thickness of his pocket-book and the money he has in the bank. Should that be his conception of culture, I shall say to him that we, for our part, have a different notion of what real culture stands for. The real value of a man is surely not indicated by the thickness of his pocket-book.

In my opinion, instead of telling us things I would call "stupid", the hon. member for Port Arthur should have remembered all the distinguished citizens of the province of Quebec who have contributed not only to the growth of their own province but to that of Canada as a whole; in short, before asking what we are complaining about, before running us down, he could at least have ascertained whether our demands and claims are justified.

As a former school teacher, he is talking through his hat when he tells us, without knowing what it is all about, that our educational system needs to be changed.

[*Text*]

**The Deputy Chairman:** Order. I must interrupt the hon. member and advise him that his time has expired.

**Mr. Gregoire:** May I have one minute?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**The Deputy Chairman:** The hon. member for Victoria-Carleton.

**Mr. Flemming (Victoria-Carleton):** Mr. Chairman, in making a few remarks on the resolution now before the committee I am reminded of the fact that I am a representative of one of the eastern provinces which together with the two central provinces about 100 years ago made of the union a great nation, and it is with that sort of thought in mind that I rise to make some observations on the resolution. In listening to the opening remarks of the President of the Privy Council yesterday I realized that the government may consider there are reasons for the resolution now before us. Without going into the reasons he gave for the resolution, I submit that when the government brings a resolution before the house for its consideration and states that it is expedient to amend a certain statute it should give the reasons for it in language and in argument which they can justify.

The resolution before us has the name of the Prime Minister attached to it. He is associated with it, of course, as its sponsor and it bears all the influence and prestige of his office. Presumably the government has given consideration to the subject matter of the resolution and is satisfied that these changes are good for Canada. Presumably the government is prepared to be held responsible for the proposition that there is need for the amendment of the original statute and that the amendment is good and will strengthen the original legislation. Obviously that is the situation.

I cannot agree with any such proposition. I find myself compelled to reject the substance of the resolution. I find myself compelled to reject the premise that there is any need for this amendment. The minister has stated that objections have been raised. I do not propose to go into those. I think the fact that the government has submitted the resolution to the house is what should be before us today.

The government seems to have got in the habit of withdrawing, and it would appear to me that they might properly be accused of a withdrawal in this particular case. Let us examine the proposed amendment and let us see what the contemplated changes are. They are going to change the title.

**Mr. Lamontagne:** No.

**Mr. Flemming (Victoria-Carleton):** They say the title must be the "Centennial of Confederation Act".

**Mr. Lamontagne:** We do not change the title of the act.

[Mr. Gregoire.]

**Mr. Flemming (Victoria-Carleton):** Suppose I read the resolution.

That it is expedient to amend the National Centennial Act to change its short title—

**Mr. Lamontagne:** Not the title.

**Mr. Flemming (Victoria-Carleton):** I am reading from the resolution.

**Mr. Lamontagne:** The short title, but not the title.

**An hon. Member:** Make your own speech.

**Mr. Flemming (Victoria-Carleton):** If the resolution is wrong perhaps the minister would like to have it corrected. I am reading from the resolution.

**Mr. Lamontagne:** I said we do not change the title but only the short title.

**Mr. Flemming (Victoria-Carleton):** I read again.

That it is expedient to amend the National Centennial Act to change its short title from the National Centennial Act to the Centennial of Confederation Act—

**Mr. Lamontagne:** The short title.

**Mr. Flemming (Victoria-Carleton):** I continue:

—and to change the title of the national centennial administration to that of the centennial commission.

I do not know what the minister is quibbling about because he is certainly going to change the title. That is the suggestion in the resolution.

**Mr. Lamontagne:** Mr. Chairman, I respectfully submit there is nothing in the resolution that will change the title of the act, which is at present "an act respecting the observance of the centennial of confederation in Canada". That is the title of the present act and the resolution does not change the title.

**Mr. Flemming (Victoria-Carleton):** I wonder what we are debating here today. Are we debating what the minister says we should be debating, or are we debating what the resolution says, which I have read?

**Mr. Lamontagne:** Perhaps the hon. gentleman might go back to the act which was passed by his own government and he would see that there is a title and a short title. We are not proposing to change the title in any way but only the short title.

**Some hon. Members:** Oh, oh.

**Mr. Flemming (Victoria-Carleton):** That is what I call splitting a hair right down the middle.

**Mr. Lamontagne:** No.

**Mr. Flemming (Victoria-Carleton):** The minister says he is not going to change the title but he is going to change the short title.

**Mr. Lamontagne:** Exactly. They are two different things.

**Mr. Macdonald:** You should get a lawyer.

**Mr. Flemming (Victoria-Carleton):** The hon. member for Rosedale says he should get a lawyer.

**Mr. Macdonald:** No, I said you should.

**Mr. Flemming (Victoria-Carleton):** No, you have told the minister what to say. You are the lawyer.

**Some hon. Members:** Hear, hear.

**Some hon. Members:** Oh, oh.

**Mr. Flemming (Victoria-Carleton):** I have been heckled before by people of the same political persuasion as this crowd.

**Mr. Macdonald:** They threw you out of office too.

**The Deputy Chairman:** Order. I am going to have to ask the committee to allow the hon. member for Victoria-Carleton to continue his speech.

**Mr. Flemming (Victoria-Carleton):** Mr. Chairman, the argument I was going to advance was this. Regardless of what we say in this year of our Lord 1963, we should be influenced to quite an extent by what history says was the concept of the people who brought about this union in 1867, which in my opinion was the building of a great nation. What did they have in mind? The minister says he is not going to change the title of the act much. He is going to change the short one and leave the long one as it is—something of that nature, and something just as ridiculous as that, too.

**Mr. Lamontagne:** Why did you have two titles?

**Mr. Flemming (Victoria-Carleton):** The question about which people must make up their minds is, have we been a nation for 100 years or not? Moreover, I submit that when the government brings before this house a resolution which in effect is playing down Canada they are doing a disservice to the country. There is nothing wrong with the original title. It was explained that we were a nation before 1867, and no one is quarrelling with that; but the B.N.A. Act and the joining together of these four provinces came about in 1867. There is no argument that that is the event we propose to celebrate.

I want to read from a book dealing with the history of the most important province, and hon. members can understand which one that is. I have in front of me the book: "New Brunswick: A History, 1784-1867", written by Professor MacNutt. Part of it concerns the events leading up to the union of 1867. At that time New Brunswick was a colony. It had a governor, and it might be of interest that the governor's name was Gordon, and he was not very popular. I do not say he was any less popular than the Minister of Finance, but he was not very popular.

At the time of confederation the province of New Brunswick and the province of Nova Scotia, together with Upper and Lower Canada joined together and were bound together through the medium of the British North America Act. This is what Professor MacNutt says about a nation. It seems to me that when a professor of history, someone who has looked into the past, writes about a nation it has some significance, more significance than opinions expressed by us gathered here 100 years later. He says that after the election at which the people of New Brunswick decided in favour of confederation the jubilation that followed was Protestant and British rather than a paean of praise for the new nation. He goes on:

> On many an occasion in later years Smith declared that it was a racial and religious cry that had defeated him. Edward Barron Chandler had assured the people that in the new union the maritime provinces could hold a decisive balance of power between Upper and Lower Canada. Tilley had satisfied them that they would endure no increase in taxes. But of the rhetoric and prophecy that frequently accompany the birth of new nations—

And here again is the comment about a new nation—

> —there was little in New Brunswick, especially during the excitement of elections.

Then on page 454 of the same book he continues:

> Behind the adroit persuasions of Macdonald and his colleagues in Canada lay the authority of the British government, not forced but nevertheless strongly asserted, working for the composite solution British world interests required. The problem had not been of New Brunswick's making, but she was compelled to recognize its existence. Her elemental loyalties powerfully invoked, exposed to the appeal of building a new and great nation whose promise hung upon imponderables, pressed by the impact of immediate events, cajoled by rather flimsy assurances of commercial prosperity, and somewhat bribed, the province entered confederation with very little grace and no gratitude.

My reasons for these quotations from a great historian, who has gone back into the prevailing opinions expressed by various people 100 years ago when this nation came into being, is simply to show what was the concept at that time of Canada as a nation. Now, Mr. Chairman, do we take the opinion of an historian who is an expert in the field,

or the opinion of somebody who has not made any particular investigation into the matter? I submit there was no need for any change to the title.

**Mr. Côté (Longueuil):** You do not even know the reason for it.

**Mr. Flemming (Victoria-Carleton):** Well, these interruptions do not matter to me. The hon. gentleman has a right to his opinion as I also have a right to mine. The difference is that I have proven mine, whereas all hon. members opposite have is mere assertion. However, that is not unusual for them. If we pass this resolution as it stands I consider that we will, in effect, be saying that we cannot do business under the title of the National Centennial Act. It will be construed that we have not yet become a nation. I wonder what those heroes who went over in the first world war and those who went over in the second world war would think about that.

**Mr. Lamontagne:** May I ask the hon. member a question. When did somebody in this house say that there was no Canadian nation?

**Mr. Flemming (Victoria-Carleton):** I said that if we passed this resolution it would be construed as an admission that we have never been a nation. There is no one so blind as he who will not see, and there is no one so deaf as he that will not hear.

**Mr. Macdonald:** And there is no one so dumb as he who has nothing to say.

**Mr. Flemming (Victoria-Carleton):** Well, the hon. member for Rosedale should be an authority on that particular subject. I said that I did not subscribe to any such fallacious doctrine that we have never been a nation. Go upstairs to the sixth floor, and in the dining room you will see pictures of at least two outstanding prime ministers of Canada, Sir John Macdonald and Sir Wilfrid Laurier. Do you remember, Mr. Chairman, what Sir Wilfrid Laurier said when he was asked about the place of Canada in the commonwealth, or in the British empire, as it was then called? He said: "Daughter am I in my mother's house, but mistress in my own". If he was mistress in his own, then we were a nation; there is no question about that. That is what the great Laurier said. He said we stand for the unity of Canada. Only a few days ago I read, because I was not here at the time, what the hon. member for Three Rivers said in support of the principle of the unity of Canada. That is the important thing, the thing we should be stressing.

**Mr. Lamontagne:** Will he speak during this debate?

[Mr. Flemming (Victoria-Carleton).]

**Mr. Flemming (Victoria-Carleton):** I said I was not here.

That is all I have to say as far as our nationhood is concerned. If our friends over there wish to deny our nationhood, that is their privilege: I am not going to deny it.

Toward the end of the resolution, it says:

To provide also that the centennial commission shall consist of a commissioner, an associate commissioner—

I see no objection to that. Indeed, if I wished to extend compliments to the minister I would say that the adjective "associate" seems to be an improvement over the word "deputy". I am expressing no objection to that change. Then, the resolution continues:

—and not more than 12 directors in lieu of eight directors—

This brings us back to the story of the Atlantic development board. Hon. gentlemen opposite had to gain control of that board so they brought in six extra directors to accomplish this purpose. The resolution speaks here of four more, bringing the number up to 12. I will say that the commissioner appointed by the previous government is just about the best appointment which could be made in Canada.

**Mr. Lamontagne:** No patronage.

**Mr. Flemming (Victoria-Carleton):** No one has more knowledge of Canada than Mr. John Fisher and we are fortunate in having his services at our disposal. Four new members are to be appointed. We should have those names as soon as possible.

**Mr. Lamontagne:** You took a year and a half to appoint the national conference.

**Mr. Flemming (Victoria-Carleton):** I would prefer that the president of the council did a little more acting and a little less talking. It will be better for him and it will be better for his party, too. The resolution ends:

—and to provide further for certain administrative changes in connection therewith.

I have grave misgivings about this. I presume we shall know in a short time, when the resolution passes, just what is contemplated. I hope the minister will not make any attempt to introduce changes which will be considered as being partisan in character. To do so would, in my opinion, be to defeat the very object of this legislation and I hope it will not come to pass.

I say, in summary, that some of the concepts which the government are now recommending to us are incorrectly founded. I do not subscribe to them. I think there may be other things in the legislation, things we have not so far seen, which may be equally difficult to accept. I urge the minister to make

public, either by laying them on the table of the house or by incorporating them in *Hansard*, the names of the proposed new appointments at the earliest possible moment. I am speaking about the personnel of the conference.

**Mr. Lamontagne:** They have already been made public.

**Mr. Flemming (Victoria-Carleton):** There have been some misgivings about provincial representation on this conference, which will be composed of 60 members. Twenty are to be appointed by the provinces, two by each province. I am sure this is a most desirable situation.

Canadians have a habit of playing themselves down. The government has done us a disservice by playing down the nationhood of our country by the change which is contemplated in this resolution. It should not be so. The government should be furnishing leadership to the people of Canada in the process of building ourselves up rather than the opposite. That is what should have been done and that is why I view this resolution with misgiving. I hope my fears will prove not to be well founded. I travel, or used to travel, a good deal outside Canada. I found that the name of Canada is held in high esteem wherever I have gone outside the borders of this great country. I hope my misgivings concerning the result of the change contemplated by this resolution will be unfounded.

Finally, I hope the machinery provided by the new act will be effective and that it will produce results of which all Canadians can be proud.

**Mr. Cowan:** I heard the hon. member who has just resumed his seat attribute to Sir Wilfrid Laurier the lines: "Daughter am I in my mother's house but mistress in my own". Should this not have been attributed to Rudyard Kipling, from "Our Lady of the Snows" published in 1897?

**Mr. Flemming (Victoria-Carleton):** If the hon. member wants my opinion, I would say that Laurier probably quoted it.

**Mr. Barnett:** I listened with some interest to the remarks of the hon. member who has just resumed his seat. The hon. member for Victoria-Carleton (Mr. Flemming) comes from one of the original provinces of confederation. I feel that those of us who come from other parts of the country, such as British Columbia, are happy to be joining the rest of Canada in celebrating this centennial even though we may not have been part of Canada for a hunded years by 1967.

I cannot say I was greatly impressed by the hon. gentleman's argument as it applied to the major change which this resolution will effect. As to his misgivings on this subject, my only reaction is to suggest that a rose by any other name would smell sweet—and I doubt if that particular quotation originated with Sir Wilfrid Laurier, either.

I was one of the members of this house who was honoured to be present when Senator Donald Cameron on behalf of Canada extended an invitation to the commonwealth parliamentary association to visit this country in 1967. In these circumstances the prospect of our celebrations in that year came to my mind very often when we were touring the new commonwealth country of Malaysia, as guests of that country. If our centennial celebration is to be what many people hope it will be we could very well attempt to capture some of the zest and fervour which I found in the country of Malaysia, which has yet to celebrate its first anniversary let alone its one hundredth, in respect of their own federation and in respect of their feeling of belonging to the commonwealth of nations in which they feel parliamentary democracy is a vital thing. I found I had some rather strange reactions when I first entered their commons chamber, because if there was one single thing which struck me in Malaysia it was their endeavour to create the symbols of nationhood. Not the least of these is their new parliament buildings which those of us who were on the tour saw officially opened by the king of Malaysia.

This new building is a symphony in stone and glass, beautifully spacious and air conditioned from start to finish. In fact, I told one of the members of the Malaysian parliament I was beginning to wonder if we in Canada had constructed our parliament buildings 100 years too soon. I have always regarded our own Commons chamber as a rather beautiful room, and one that does in some ways symbolize the Canadian nationhood. However, I have to confess that when I came back after my trip to Malaysia I noticed for the first time how smoky and grimy our chamber is.

I must say I am wondering, as we approach our one hundredth anniversary, whether or not we might be getting a little shaky and decrepit in so far as some of our enthusiasm for the symbols of nationhood is concerned. If I might make a suggestion to the President of the Privy Council as a contribution to this debate, I would suggest that one of the things we should do, perhaps long before 1967, would be to restore a little brightness to this chamber.

The new nation of Malaysia, in my view, is going all out to do some things to make their first anniversary as worth while as our one

hundredth anniversary should be. The hon. member for Winnipeg North Centre referred to the hope that we would have something more than fine speeches. I should like to see us have some of the new symbols for our one hundredth anniversary that the people of Malaysia are going to have for their first. The delegates to the commonwealth parliamentary association were invited to witness a display of mass bands before His Majesty the King of Malaysia in a stadium the like of which we have not anywhere in this country, so far as I know. I refer to the stadium Negara, their new national stadium. We, in Canada, put up some sort of a barn-like structure for a stadium, and we erect a horrible mess of structural steel for our floodlights. These people created a stadium in which the floodlight columns look like national monuments. They were beautiful stone columns, shapely in form and proportion. I must say that many times I wished all the members of this house could have the experience of touring Malaysia, just as the delegates to this conference did. I can think of nothing that would give us more zest or more inspiration for having a one hundredth anniversary celebration that is worthy of our nation than the experience those of us had who were there.

Certainly, I feel that we in Canada are not yet too old or decrepit to be able to revive that sort of youthful enthusiasm for nation building and for the development of parliamentary democracy that I found in the newest member of the commonwealth, Malaysia. I recalled that when I left this chamber to go on that trip, the house was involved in a rather long and sometimes heated discussion concerning where certain members were going to sit in this chamber. I must say that, with that in mind, I was a bit appalled when I found the veneration in which Canada, as the senior member of the commonwealth, was held by the people of Malaysia, as they voice their enthusiasm for parliamentary democracy and the rule of law.

Malaysia is a country of minorities with about 50 per cent Malays, some one third of the people with Chinese ancestry and the other largest minority coming from the subcontinent of India. This is a land where people speak many languages, a land where people have a great variety of cultures and yet—

**The Chairman:** Order; I hesitate to interrupt the hon. member but I am just wondering whether he is not straying quite a bit from the resolution now before the committee.

**Mr. Barnett:** I have listened rather attentively to the discussion of this resolution, and it seems to me that my remarks are pertinent to my own desire, and I take it to the desire of those who wish the passage of this resolution, to do something to stimulate action in connection with our celebration plans and to get some real centennial building into the proposals for this celebration in 1967. It was with that in view, Mr. Chairman, that I thought I should like to say these few words in support of the resolution, relating them to my own recent experience in the development of nationhood in Malaysia.

I am not going to prolong these remarks. The point I am really trying to make is that the important thing to consider in connection with our centennial is the attitude of mind with which we approach it. If I may say so, I think one of the prerequisites is a change in the attitude of the members of this house collectively. I was saying that the contrast between the attitude towards the institution of parliament which was evident when I left here and the attitude which I found in Malaysia was something which did not make me proud to be a Canadian or to be a member of this house. I feel that if there is any virtue in some of us going abroad and seeing what others are doing, it is in getting a fresh approach by seeing ourselves through the eyes of others. We should talk about this when we do come back into the house.

I was mentioning that Malaysia is a nation of minorities, a people with many languages and many cultures. I was about to say that they are making a tremendous effort to create unity and harmony, yet retain the variety and colour of their various cultures. I have to say that even during this discussion, the sort of petty bickering in which we indulge in respect to some of the language and cultural features of our own confederation, does not sit very well in contrast to what they are attempting to do in Malaysia. I would hope that the passage of this resolution, if it has any value at all, will help us enter more fully into the spirit of confederation. That was really the point I wished to make when rising to discuss it.

In line with some of the suggestions made by the hon. member for Winnipeg North Centre I could go on to point out what might be some of our centennial projects. In Malaysia, for example, 50 per cent of the total federal budget is being spent on education. It has one of the most beautiful universities to be found anywhere in the world, a university which was started from scratch in 1958.

**Mr. Lamontagne:** May I ask a question of the hon. member?

**Mr. Barnett:** Yes.

**Mr. Lamontagne:** In order to shorten the debate on this resolution, which has a very

restricted scope, I wonder if he would agree to postpone his remarks about centennial projects until we come to the estimates of the centennial administration?

**Mr. Barnett:** I had no intention of launching into any lengthy discussion of what I might consider to be appropriate centennial projects, but I was going to mention by way of illustration and by way of emphasis of the remarks made earlier by the hon. member for Winnipeg North Centre, that this is the kind of emphasis being placed by the government of Malaysia in building its new federation. This is the sort of thing which I would like to see us doing in Canada, when we enter upon the second 100 years of our existence as a nation. In deference to the point raised by the minister, I will now admit this was about the extent of the remarks I intended to make.

**Mr. Winkler:** Mr. Chairman, I do not intend to delay the committee and I certainly hope it will pass the resolution shortly. I believe there is only one speaker to follow, although I am not sure of this. However, as I read once again the terms of the resolution and the changes that are to be made, although they do not seem consequential there is still a slight fear that there is another meaning for the changes that are being proposed. This has been referred to by the President of the Privy Council and by other speakers, and I have had private conversation about it earlier this afternoon.

I wonder if there is not some significant meaning in the actual changes that are proposed. Is the government changing its attitude about Canada as a nation, and now thinking of it as a two nation state? This may be the case, but we do not know. Although there is no doubt we will accept, on division, the resolution as it stands, considering the statements that have been made so far I feel I have something worth while to add in the progress of debate.

The previous speaker indicated that, by comparison with what he has seen in recent weeks, Canadians would not be proud to be members of parliament if they could see the deportment of such a new nation as Malaysia. I say to you now, Mr. Chairman, if there is anything wrong with Canada we can find some of the ills right here in this parliament. One of them is the proliferation of parties in this house, and we have seen what this has meant to Canada and the Canadian people in recent weeks.

Pleas have been made for progress in parliament, but they have no relationship to the actual business that has been transacted inside the house, and the people of Canada must recognize this. If changes are to be made it is entirely due to those people who have held up the work of parliament.

During the course of this debate references have been made to what transpired in our history, and in regard to who came here, what nations sent people, and the purposes of their coming. My colleague from Marquette made a noteworthy contribution yesterday afternoon, and my background induces me to tell the house my forefathers came here from the United States to seek the freedom of this country and to leave the area of conflict that existed in the United States at that time.

They came as a type of loyalists, loyalists to the British crown, loyalists to the Canadian flag, and loyalists to their faith. I believe that as we go on to celebrate the centennial of Canada we must remember the faith our forefathers had in coming here. We must remember the efforts that were put forth in order that we might enjoy the bounties of this country that exist today. If we forget those basic things, how can we go into the celebration of our centennial with the proper concept of what we should do?

With regard to the list of people being invited to the conference, and especially with regard to their political affiliations, surely it is not our intention to proceed to our hundredth anniversary on the basis of a political connotation such as that list had? I certainly hope that before the debate concludes the President of the Privy Council will table that list of names for all our people to see.

Listening to the statements made yesterday, seeing the parrying, the setting back and forth, the swaying made to our ideas, I could not help thinking of the effort that was put forth during two world wars. This was something which was mentioned by another of my colleagues. Surely these people, as they went to fight for Canada, did not think they belonged to this or that part of Canada, and did not care whether their comrades spoke this tongue or that tongue. Indeed, if I am to be honest with the committee, when I myself went into the second world war I left a section of the country which was bilingual. The other language used was German, but my comrades and I went to fight for Canada. We did not go to fight for any situation that was local, or any situation that would divide the country. Anyone with an ounce of common sense will know why we and others made this effort.

The crew with which I flew in the second world war—this is the second time I have mentioned this in the house, but I think it is more important this time—had a skipper who was French Canadian. I am sure he would be proud if he knew that today one of the members of his crew sat in this house, in the highest court of Canada; nor would he ask,

"Do you belong to this group, or do you belong to that group?" That was not why he gave his life. This very great comrade of mine, whose name was Emile LeBlanc, came from Prince Edward Island, and as I stand here I realize that I owe my existence to him, because he could have been out of that situation much sooner than I.

Then I think of the things that were said in this house yesterday and wonder where on earth we are heading when hon. members make statements about what they think are the right things and the wrong things. Surely as far as our friends are concerned—and I say "our friends" in all sincerity—from the province of Quebec, if they are being denied any rights, surely we have these rights set out boldly and clearly not only in the Quebec Act of 1774 but also in the British North America Act. I would be the first to stand up for these people if those rights were being denied. But we in this parliament of Canada cannot expect to have the advantages of an area of prosperity or the advantages of the contribution from one end of the country to the other if sections of our country are separate and apart.

Yesterday I heard the hon. member for Lapointe say, "We do not want anything in Quebec. We do not want anything else from Canada. We do not expect anything. But don't take anything away from us". I do not have his exact words in front of me at this moment, Mr. Chairman, but I think that is the gist of what he said. The hon. member went on to say, "We want our share". I agree with him. If through the legislation that exists in the Canadian statutes he is being denied his share, or his people, as I said before I would be the first to stand up in my place and demand that those rights be honoured. In the meantime, as we are considering the celebration of our confederation let us be together and let us be one. We must not be divided. We cannot be divided and be a nation. This is the fear that I have with regard to the terms of the resolution that is before us. This resolution is presented by the government and it is an odd thing that we hear these types of statements coming from some hon. members. I refer to the statement made recently by the hon. member for Lotbiniere in regard to Canada's present status. These are not the type of statements that draw us together; they are not the kind of statements that will make us a great nation and give us, as representatives of the people, a better understanding of the situation. Then there are the statements of the hon. member for York East, whose letter to his constituents I hold in my hand. He says, "This is dead" and, "That is dead", and he does not believe the government is accomplishing anything. If it is not accomplishing anything, it is as much his fault as anybody else's in this house.

I should like to point out, again, some of the things that keep us together and those which tear us apart. I think of the speech made by the hon. member for Three Rivers the other evening. This is the type of thinking that we want; it is the type of thinking that will carry us into 1967 and beyond as a nation, and with the possibility of being a great nation; not being divided by petty arguments among ourselves. I listened to the speeches made last evening. Some of the things said were devastating and only denigrate the picture of Canada and its possibilities as we draw toward the centennial of our confederation.

I hold in my hand a clipping from the Toronto *Star* which carries an article bearing the headline, "Legion 'Worse than reds'—Caouette". I have a further article here which deals with that hon. member's reason for not serving his country. This article goes on to say:

> Caouette evaded military service simply by refusing draft calls. "They sent me white slips and blue ones and pink ones but I refused to go", he said recently. "I had gone through the depression and I didn't think Canada had given me anything worth fighting for".

**An hon. Member:** He should resign.

**Mr. Winkler:** Well, Mr. Chairman, I think, as we are considering the 100th birthday of confederation and its celebration, and our great historic past, and when I think of the days when the English minority in Canada depended on the French majority to bring us through to 1867 and on to where we are today, and the statements made yesterday by one of the hon. member's colleagues, an honourable course for the celebration of our centennial would be for this hon. member to resign his seat.

**Some hon. Members:** Hear, hear.

**Mr. Langlois:** Mr. Chairman, would the hon. member permit a question? The hon. member for Lapointe spoke for this party in the house yesterday. The general theme of the hon. member's speech was that we wanted mutual respect as does anybody else. As we give respect to the English speaking citizens, we want it the same way. Does the hon. member go along with that principle?

**The Chairman:** Order. The hon. member for Grey-Bruce has the floor.

**Mr. Winkler:** There is no question about what the hon. member said, and if the colleague of the hon. member who has just

spoken will come back into this house and say this was a mistake—

**Mr. Gregoire:** On a question of privilege, Mr. Chairman—

**Mr. Winkler:** —that he is repentant, I would be the first to accept that—

**Mr. Gregoire:** On a question of privilege—

**Mr. Winkler:** Mr. Chairman, I have the floor.

**Mr. Gregoire:** On a question of privilege, Mr. Chairman, if the hon. member wishes to quote what somebody has said, he should quote what was said and not what is reported in a newspaper. The newspaper report might be mistaken, and it is because of such mistakes that we have the present situation. On my question of privilege, Mr. Chairman, I would like the words of the hon. member cited as they were said, and not as they have been reported in the newspapers, because this leads to mistakes being made.

**The Chairman:** Order. I am wondering whether we are not getting some distance away from the subject matter of the resolution which is before the committee. Certainly the comments that were just made by the hon. member for Grey-Bruce are of interest to the committee, but they seem to be getting away from the resolution that is before us. Perhaps the hon. member would take that into consideration.

**Mr. Winkler:** I thank you, Mr. Chairman, and will certainly try to follow your direction. But I cannot deviate from the fact that these things are important to this country. These are important questions when we are considering the celebration of the 100th birthday of confederation in 1967. I quoted directly from the speech of the hon. member, the report of which will be found in the *Star Weekly* of December 15, 1962.

**Mr. Langlois:** Was that a written speech?

**Mr. Winkler:** When I was dealing with this particular question, Mr. Chairman, I did not want to be misunderstood. I was dealing with this point because of the area from which I come, where the people are generally of German origin. We do not ask to be recognized as a separate group. There is not an ounce of separatism in our souls. We want to be recognized as Canadians. We want only to be known for the contribution we make to Canada and all Canadians.

**Some hon. Members:** Hear, hear.

**Mr. Winkler:** As I look forward to 1967 and the celebration of the 100th anniversary of confederation I would invite my colleagues to consider what I am saying, because then I think our centennial will be celebrated in a suitable manner. I will reiterate what I said earlier. Having regard to the terms of confederation as laid down in the British North America Act and the rights available to every citizen of Canada to be used for the betterment of Canadians as a whole, if any situation arises where these rights are not being adhered to I will certainly stand up with any fellow citizen of Canada and fight for those rights. Before I take my seat I might ask the President of the Privy Council once again to be so good as to put on the record the names of the people who will attend the conference in this regard. I am sure every member of the house will appreciate it if he will do so.

**Mr. Nesbitt:** Mr. Chairman, in looking at the resolution, which is in the name of the Prime Minister, one of the things that I would very much hope the centennial commission, as it is now to be called would do would be to recommend to the Prime Minister a design for a distinctive Canadian flag, because certainly this is one of the most important things that the people of Canada will expect to have when our 100th birthday takes place. As a matter of fact, if I heard the Prime Minister correctly he said in the house recently that he would recommend a flag to parliament within two years and that the design of the flag would be debated by the house.

I would hope that the centennial commission would hear representations and would be able to make recommendations to the Prime Minister in this respect. All of us who have been members of the house for a number of years and, indeed, those with a shorter length of service, have received over the years many views on this subject, which is one of great interest to most Canadians. I know that in the more than 10 years I have been here I have collected a very large file with designs for a proposed Canadian flag. These designs are varied in nature, size, shape and colour. A great many of them are extremely abstract and are composed of red and green triangles, circles, rectangles and the like. I suspect that in some cases they are so subjective that they mean nothing to anybody except the designer. I am reinforced in this view, inasmuch as most of these odd looking designs are usually accompanied by a very careful explanation of what each triangle, circle, rectangle or square means.

Many representations have been made concerning a flag. There is one group in the country that feels that a distinctive Canadian flag—I am sure all of us agree our flag should be a distinctive one—should contain some symbols which—

**The Chairman:** Order. I wonder whether the hon. member will allow me to interrupt him to remind him that we seem to be straying from the subject matter of the resolution before the committee, which has to do with the amendment of the National Centennial Act.

**Mr. Nesbitt:** With great respect, Your Honour, as I read the resolution it calls for a reorganization of the national centennial administration, to be called the centennial commission, and provides for an additional number of members and for certain administrative changes. With great respect, I would think it would be very clear that one of the very important things the commission might do would be to recommend to the Prime Minister and the government a design for a national flag.

**Mr. Pickersgill:** It is certainly not part of the resolution.

**The Chairman:** Order. I do not wish to interrupt the hon. member and I will let him go on, but perhaps I could mention to him that the subject matter of the resolution is not what the commission is going to do. This might have been discussed when the original legislation was before the house, but when we are considering amending legislation the discussion should be limited to the terms of the amending resolution or bill. I know that the discussion up to now has gone far beyond the bounds within which it should have been limited, but in any case I think it is my duty to bring this point to the attention of the hon. member and I hope he will take it into account.

**Mr. Nesbitt:** With all respect to Your Honour, I would point out that the last part of the resolution contains these words: "and to provide further for certain administrative changes in connection therewith". It is not made clear at all what these changes are and therefore I thought that would give us considerable latitude in discussing the resolution. Certainly other hon. members have done so. However, I do not wish to make an issue of the matter and if Your Honour wishes I will discontinue my remarks and make them on another occasion.

**The Chairman:** I am sorry, but I did not hear the last remarks of the hon. member. Do I take it that is the end of his remarks?

**Mr. Nesbitt:** It is my understanding that Your Honour was objecting to the line I was taking on this matter. I do not wish to make an issue of the matter with Your Honour and if it is your wish I will take my seat and make my remarks on another occasion.

[Mr. Nesbitt.]

**Mr. Fisher:** Mr. Chairman, I feel badly about what has happened to the hon. member for Oxford, because I cannot find anything about the member for Port Arthur in the resolution and he was the subject of one of the very wide ranging speeches in this debate. It seems a pity that he should take precedence over the flag that we may have in 1967. I hope the hon. member for Oxford appreciates that he has some sympathy with regard to his intention and the remarks that he was making.

I wish to touch on only two matters in relation to the resolution. One is the intention of a group of young people in this country to focus attention at the time of the centennial on a youth parliament. I understand they have put their suggestion before the national centennial administration, as I suppose it is still called, and I thought it might be worth while to express the sympathy of our party toward this project and our hope that the minister will encourage Mr. John Fisher, who I understand is carrying out the liaison work in this matter, to do something about it. It certainly seems to me that the idea of having in this place in 1967 a meeting of our young people elected on some kind of basis that would allow for constitutional representation—

**Mr. Nowlan:** If we reduce the voting age to 18 will that not accomplish the end?

**Mr. Fisher:** The hon. member for Digby-Annapolis-Kings suggests that the reduction of the age to 18 will create a youth parliament here anyway.

**Mr. Nesbitt:** They will not be able to own any property.

**Mr. Fisher:** I hate to think what the real parliament may be like in 1967. I am in favour of the centennial administration taking up the idea of a youth parliament or youth session of parliament and giving Ottawa the central focus among young people. I happen to have spent a great deal of time doing research on the year 1876 as it affected the United States. It was their centennial year and they did things up in a very large way. They had almost too much of an outburst of patriotism, and in that year activities of every kind ran riot in the United States. The field I happened to be interested in was sports and athletics. Here again the build-up was tremendous for every possible kind of sporting event, with some national championships involved in it. There were a great number of conferences held in which youth took part and in which sport was the centrepiece. I think the idea of the youth parliament in 1967 can be promoted and developed just as well as anything the Americans did in 1876.

**Mr. Gregoire:** You mean 1776.

**Mr. Fisher:** No, 1876, which was their centennial. I have not lost a century, even though the hon. member for Lapointe obviously thinks I am a poor school teacher.

In view of the introduction of the minister, a relevant point seems to me that he told us the main reason for introducing these amendments was because of objections taken by the province of Quebec. I assume this is the reason why members such as the hon. member for Lapointe were allowed the latitude they were in dealing with the fact that Quebec had objections to this. I should like to take the opportunity offered by the hon. member for Lapointe and straighten out one thing for his own observation, as well as that of my hon. friends who have this obsession with Lili St. Cyr and Maurice Richard. I discovered some years ago that Lili St. Cyr was not a French Canadian. I think she was born in Waukegan, where I think Jack Benny comes from. She is rather statuesque, due to the cultural nature of her activities, and her reputation really came into full flower in the fine city of Montreal, where she adopted this name, I understand because it flavoured of Paris or Montreal. She developed in Montreal a great reputation for that particular art in which she specializes, and became widely known because her art had a certain popularity in much of the United States.

**Mr. Gregoire:** May I ask a question?

**Mr. Fisher:** No, I do not want any questions yet.

**Mr. Gregoire:** Just one question.

**The Chairman:** Order, please. The remarks which are being made by the hon. member for Port Arthur are, of course, very interesting, but I find it difficult to relate them to the resolution before the committee.

**Mr. Fisher:** I should like to point out that I was not the one who introduced Lili St. Cyr into this debate, but I feel I have every right to get the matter straightened out, because there is a printed record in *Hansard*. I find a tendency on the part of our very lovable French Canadian brethren, whenever they get exasperated to fly to such statements as: "The hon. member for Port Arthur said that the only culture in French Canada is Maurice Richard and Lili St Cyr". That is nonsense. I knew that Lili St. Cyr was not a French Canadian. I know a fair amount of what Maurice Richard has achieved; he is certainly the most exciting hockey player there ever was. But I never made any positive statement at all. All I did, in all innocence—and one thing I have discovered is that one should never approach a French Canadian audience with innocence—was to put the matter in the shape of a question. I asked: How do you expect the people in western Canada who have little contact with French Canadians to know anything about your culture? Then I asked: What do we know about your culture, except Maurice Richard or Lili St. Cyr—because they happened to be two names with a French Canadian connotation which might be known in western Canada. I said that, in order to underline the fact that the people of Quebec, the French Canadians, have done very little to tell us in the rest of the country about these marvellous painters, poets, historians, and all the rest of it, which they are supposed to have—and I do not doubt that they do have them. I have an ambition to be able to buy, if ever I can afford it, a de Tonnancourt painting to hang up over the mantlepiece. However, the argument I was trying to make at the time still holds good, and the hon. member proves it. As far as the majority of them are concerned, whenever they want to get their backs up they berate the English speaking Canadians for not knowing anything about them. They never let our part of the country know what these magical and wonderful facets of French Canada are.

After I made this statement, which was so torn out of context, a newspaper in Montreal sent a journalist up to see where this stupid fellow came from. This journalist came to Port Arthur and picked out the names of 25 French Canadians from our telephone directory. When I say French Canadian names, I mean common names like Robichaud, Lafontaine, Labelle, and so on, which fit into our picture. This man telephoned these 25 people one after the other and opened a conversation in French, and he was not able to find a single one who could reply to him in French. When I finally got to him this man was still suffering from shock. But he made two points to me. He said it was obvious that the French Canadians in my part of the country assimilate quickly. Second, he said it was obvious that French Canada or Quebec itself is not permeating or getting out into the rest of Canada. Thereafter he was much more sympathetic to the point I tried to make. This is the argument I should like to get home in this context.

The premier of Quebec has told the federal government that this National Centennial Act is not a satisfactory title, and has to be changed because of French Canadians' consciousness of history. I wish the premier of Quebec would get out into the rest of the country, instead of making demands, as are so many of my French Canadian colleagues here, and tell what are his objections. Why should he leave it up to the President of the Privy Council to make the sort of explanation

which led to the rebuttal we had yesterday from the Leader of the Opposition? I do not want to be put into an extremist position because I have already been attacked by one of the extremists, but I think it is about time we started to level on this question of the relationship between French Canadians and English Canadians.

I am a mountain of prejudice with regard to a great many things, but I think like most people in English speaking Canada think. I do not speak for them but I think like most of them. We want to know more. We want to co-operate, establish liaison and sympathize. But the way things are going now we seem to be continually trapped into keeping our mouths shut while these people go ahead and attack us. I do not feel, and most of the people in my part of the country do not feel, responsible for Maurice Duplessis and what may have developed in Quebec. We do not feel we are responsible for the fact that the premier of Quebec is at the present time objecting to this title and wants this petty little change. But we would like to know more about it. My argument is that the government, in this particular case the minister, has given us a pretty inadequate explanation of changes such as this. I think the minister should be prepared to recognize that it always seems to be a matter of the English speaking Canadians in a sense having to back down or retrench because of these very sensitive co-nationalists of ours.

**Mr. Lamontagne:** May I ask a question? Does the hon. member know that the correspondence exchanged on this issue was tabled in the house on June 27 and that the whole matter becomes very clear on reading that correspondence?

**Mr. Fisher:** Yes, I have checked the debate and read the reference to it.

**Mr. Pickersgill:** Did you read the letters?

**Mr. Fisher:** Yes. My point in this regard is that here again we have to respond to the demands and to the requests of Quebec and of the French Canadians within this chamber. I think the matter should have been handled at an earlier time than this, and I do not like to see a government, and an administration which it has created, attacked on the basis on which it was attacked yesterday by the Leader of the Opposition. Yet this is the length to which we are constantly being driven by the attitude of our friends in French Canada and by the spinelessness, I guess it could be called, of English speaking Canadians. I should like to make the point that English speaking Canadians, if I understand them, are not bigoted, are not narrow and not antagonistic. But they have a very difficult time understanding. I should like to suggest that some of those who are doing all the wailing about the mistreatment they have suffered in the past should take a good look at our history, because their interpretation of history is one of the most one-sided I have ever encountered. I should like them to look at the British North America Act closely. Let them look at section 133, for example. When they complain about the British North America Act not being followed, and the rights of Quebec being sidestepped, they should recognize that most of these sidesteps or end runs around the provisions of the act have been made with the agreement of the representatives of Quebec who sat in this chamber; that the representatives of the province of Quebec went along with them as far as provision for unemployment insurance and things of that kind are concerned. It is measures of this kind which constitute the major changes which have taken place. It was not a case of the English speaking politicians conniving in such a way as to leave the French Canadian politicians in ignorance of what they were doing. The Quebec representatives co-operated; they took part in reaching the decisions.

I sometimes wonder whether Laurier and St. Laurent were French Canadians when I hear the extreme opinions expressed by the hon. member for Lapointe. There were representatives from Quebec in this chamber and in its antecedents long before 1837 and the revolution. This piling up of the misdemeanours or wrongs committed, I suppose, by English speaking Canadians, these suggestions of interference with the arrangements of confederation in the course of some scheme practised upon French Canadians has, it seems to me, gone too far. I wanted to get this on the record particularly in view of the attack by the hon. member for Lapointe, who seemed to feel that any English speaking Canadian who expressed an opinion on a subject such as education was getting into a field which he should not enter. If this is so, why is it that these wonderfully pure constitutionalists from Quebec should for so long have accepted grants in relation to education, universities, technical training and so on?

**Mr. Gregoire:** I can tell you.

**Mr. Fisher:** If the hon. member has the answer, I believe I know what it is. If they did these things, they were probably not being correct in doing so under the terms of the constitution.

**Mr. Gregoire:** It was because the federal government took all the money. That is the answer.

**Mr. Fisher:** That might very well be. It is time we had a revamping of the constitution to meet the objections and ideas which people are putting forward. This could really be a wonderful centennial project. Maybe if it could be focused upon some kind of conference, we would really have a lively year in 1967. But I do not wish to leave this point without telling the hon. member for Lapointe, as far as constitutional changes may be concerned, that if he wants to hammer home the assertion that Quebec has a special status he should start by admitting that the people who live in the other provinces may also have a different conception of what the federal or national government should be, and if there is to be any solution to this it will not only be a case of the hon. member or his friends seeking to establish their point of view or their objectives, because other people will be seeking to establish theirs.

**Mr. Gregoire:** We do not object to that.

**Mr. Fisher:** The hon. member says he does not object to this. That is fine. I was under the impression that that is all he has done ever since he arrived in the house.

**Mr. Gregoire:** No.

**Mr. Fisher:** I want to thank you, Mr. Chairman, for allowing me to stray so far from the matter before us. I can only reflect that your predecessor in the chair perhaps allowed us to stray too far from the terms of the resolution, and that none of us were zealous enough to try to get the speakers back on the subject.

**Mr. Gregoire:** May I ask a question? The hon. member for Port Arthur said he and his friends have to stay put and shut up while we alone were talking on these subjects. What does he think about his own declaration that the province of Quebec should change its system of education? Does he think that this is the business of the members from other provinces?

**Mr. Fisher:** This is certainly irrelevant to the matter now under discussion, but all I was doing the other day was saying that the brief showed that Quebec has problems in connection with its educational system, particularly with regard to the retention rate in schools. I should like to say to the hon. member that I do not divide my loyalties. I am not a citizen of Ontario at one moment and a Canadian at another. I happen to think that opportunities for young people in Quebec are just as important to me as opportunities for young people in Ontario. I even think that the trees and the rocks and the iron ore of Quebec belong to me just as the resources of the province of Ontario belong to the people of Quebec. This somewhat emotional answer is the only answer one can give to a question such as the hon. member asked.

**An hon. Member:** You are wrong.

**The Deputy Chairman:** I have allowed the hon. member to ask the question and I have also allowed the hon. member for Port Arthur to answer it. But I do feel we are ranging far and wide from the resolution which is now before the committee.

**Mr. Lamontagne:** I certainly do not intend to discuss the whole range of the subjects considered yesterday and today in this committee. I think many of these matters might best be discussed when the estimates of the centennial administration are before us.

When I spoke yesterday on this resolution I made a brief statement on what I thought were the nature and significance of the very simple amendments we proposed to the act. I assumed that members had already read the two versions of the present act and that they had also read and carefully studied the exchange of correspondence which was tabled in the house at the end of June.

However, the Leader of the Opposition chose to extend the scope of the debate far beyond the limited field of this resolution and in doing so he made several assertions which cannot go unchallenged. In the first place, he referred to the composition of the national conference on the centenary, which was made public at the beginning of October.

I want to remind hon. members that the act authorizing the creation of that conference was assented to on September 29, 1961. During the year and a half from September, 1961 to April, 1963, the previous government did not take any steps to set up the conference or to appoint its members. One year and a half of precious time was lost as a result of the indecision and confusion of the former government. It is true that appointments had been made in January, 1963, to the national centennial administration. However when we took office in April, there was practically no staff there, so the administration itself could not properly operate. Finally, the national committee of ministers had not met since the fall of 1961. This is the situation as it was back in April. This is an indication of how seriously the previous government approached the preparations for the centennial of confederation: An act had been passed by parliament, but practically nothing had been done to implement that act a year and a half later.

Now, I come to the composition of the national conference itself. Yesterday, the Leader of the Opposition said that in appointing the members greater consideration had been given to political fitness and

to patronage packing than to the great issues that face us. He added that the list of members was a who's who of Liberalism to the extent of about 75 per cent of the appointments. The right hon. gentleman should be the last in this house, it seems to me, to raise the issue of patronage in connection with appointments. But let us consider the assertion that about 75 per cent of the members of the national conference are Liberals. The conference is composed of 60 members, 20 of whom have been nominated by the provincial governments. This is one third of the members, so that the right hon. gentleman's claim that 75 per cent have been appointed by this government on a patronage basis becomes clearly untrue and unfair.

Let us look at the other members who have been directly appointed by the present government. In setting up the conference, we wanted to secure as wide a representation as possible by regions, ethnic groups, municipalities, artistic movements, university and professional groups and the population in general. I readily recognize that there are known Liberals amongst the members of the conference, but there are also active members of other political parties. I am one of those who believe that prominent Canadian citizens should not be denied the opportunity of serving their country just because they are active in the Liberal party. I resented more particularly the reference made by the Leader of the Opposition to two of our most eminent judges, Mr. Justice Michaud and Mr. Justice Monnin, who played a very active role in their respective communities in New Brunswick and in Manitoba.

We wanted to have a broadly based representation on the conference from the mass media. Here are some of the names of the representatives of that most important field of activity so directly related to the preparations for the centennial.

Mr. Donald Jamieson, president of the Canadian association of private broadcasting.

Mr. A. F. Mercier, president of the Canadian Press and general manager of *Le Soleil.*

Mrs. David Anderson, editor of a leading Canadian women's magazine, *Chatelaine.*

Mr. Jacques Brillant, president of radio and television stations CJBR.

Mr. T. Horton, mayor of Yellowknife and editor of *News of the North.*

Dr. Pierre Jobin, president of L'Action Sociale Ltee de Quebec and professor at Laval University.

Mr. Frank Glogowski, president of the ethnic press club and editor of *The Alliancer.*

Mr. Fred McGuiness, publisher of the Medicine Hat *News* and one of the most active organizers of the Saskatchewan jubilee.

Mme. Jeanne Sauve, a well known television commentator and a very active member of the artistic community in Montreal.

Reverend Keith Woollard, television editor, United Church of Canada.

Mr. Mavor Moore, a well known television personality and art director in charge of the celebration in Charlottetown to commemorate the 1864 conference.

Mr. Baxter Ricard, owner of a radio station in Sudbury.

We have there 12 members representing the mass communication media. Where is the 75 per cent of patronage packing? Will the Leader of the Opposition deny that these 12 Canadian citizens will very effectively and very adequately represent this most important field of the mass communication media? What names would he recommend that we should delete from the list?

We also wanted to have a good representation from the professional groups. What are the names of these representatives?

Mr. Claude Jodoin, president of the Canadian Labour Congress.

Mr. David Kirk, secretary of the Canadian Federation of Agriculture.

Mr. Don Morrell, general manager of the Canadian Chamber of Commerce.

Mr. D. M. Thompson, secretary of the Royal Canadian Legion.

Mr. Ralph Steinhouer, member of the Alberta farmers union and former president of the association of Alberta Indians. Again, I ask, where is the 75 per cent of patronage packing? Will the Leader of the Opposition deny that these five members will very effectively and very adequately represent our most important professional groups?

Then, we felt that in addition to provincial representatives it was essential to have representation also from the territories and municipalities. What are the names of these representatives?

Mr. Horace Boivin, former president of the Federation of Mayors and Municipalities and mayor of Granby.

Mayor S. L. Buckwold, former president of the Federation of Mayors and Municipalities.

Mr. Gordon Cameron, commissioner of the Yukon Territory.

Mr. Maurice Finnerty, mayor of Penticton.

Mr. Harry Viner, one of Canada's most colourful mayors.

Mr. Richard Wilson, mayor of Victoria.

Finally, we also wanted representation from the universities, artistic movements, cultural groups and from the population in general. What are the names of these representatives?

Mrs. H. F. Angus, wife of H. F. Angus, dean of faculty of graduate studies at the

University of British Columbia. She was also nominated for the position of chancellor at University of British Columbia two years ago.

Mrs. Austin Brownell, member of the board of governors, Acadia University.

Mrs. Saul Hayes, past president of the National Council of Women and wife of the executive vice president of the Canadian Jewish Congress.

Mr. Norman A. Hesler, chairman of the regents of Mount Allison University.

Mr. W. A. Johnston, president of the Winnipeg art gallery.

Dr. J. F. Leddy, vice president of the University of Saskatchewan.

Mrs. Lloyd J. Lewis, widow of Judge Lloyd J. Lewis.

Father Malcolm Macdonnell, professor of history, St. Francis Xavier University.

Professor John Meisel, professor of political science, Queen's University.

Judge J. Michaud, eminent jurist and Acadian.

Hon. Roland Michener, former speaker of the House of Commons.

**Mr. Pickersgill:** A well known Liberal.

**Mr. Lamontagne:** Judge Alfred Monnin, president of the Winnipeg symphony orchestra, final festival chairman of the dominion drama festival.

Mr. Frank Pagotto, businessman from Montreal, of Italian origin.

Mrs. E. S. Russenholt, who among other things was chairman of the women's branch, Canadian institute of national affairs, chairman of the national radio awards committee for public affairs, free-lance broadcaster, and a member of the national advisory board of the Canadian association for adult education.

Again I ask the Leader of the Opposition, where is the 75 per cent patronage? I would like very much to get an answer from him, and I would also like to see some justification made of the accusations levelled against me, which were also a most unfair reflection on the eminent citizens who have so generously accepted to serve their country through the national conference on the centennial.

Such an unfair reflection will certainly not contribute to bringing together, as the Leader of the Opposition hopes, all parts of this country in a unity of dedication.

I should now like to deal with the other major point raised by the Leader of the Opposition. He claims that 1867 marked the birth of our nation and that in that year colonies by the sea such as—I quote more or less from *Hansard*—Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick joined together as a nation. Apparently the Leader of the Opposition has forgotten the history of his country. If I am not mistaken Prince Edward Island joined confederation in 1873, not in 1867, and Newfoundland came to the same decision in 1949, not in 1867.

**An hon. Member:** Small potatoes.

**Mr. Lamontagne:** Look at *Hansard*. This is another example of the accuracy of statements made by the right hon. gentleman.

It seems to me that whether we would like to do it or not, we cannot change the facts of our history. It is quite clear to me, as it should be to the right hon. gentleman, that our nation and Canada existed before 1867. What did happen in 1867? United Canada and two other separate British colonies joined together in a confederation to form a single British colony, which became sovereign in fact much later in the present century. Thus, the only event we will celebrate, strictly speaking, in 1967 is the centennial of confederation.

We certainly do not want to downgrade Canada, as some hon. members claim, but I maintain that to state that Canada existed before 1867, that our nation was born before 1867, is not to downgrade Canada or our nation. It is merely a statement of fact to say that, in the strict meaning of our history, we will celebrate in 1967 the centennial of the Canadian federation, and we should all be proud to celebrate together this most important historic event.

[*Translation*]

I should like now to add a few words on the precise character of the resolution, as well as on the usefulness of the bill which will follow.

I should like in the first place to refer to the gist of the debate which went on between the former prime minister (Mr. Diefenbaker) and the premier of Quebec in October, 1961.

It must be pointed out that the English version of the present legislation, in the wording it uses, does not agree at all with the French version. When the Leader of the Opposition became aware of that mistake, in my opinion, he should have taken at once the necessary means to bring about the changes in the other official version of the legislation.

To show you very specifically the differences between the two versions, I would like to take, as an example, the official name of the administration. The English version reads: "National Centennial Administration"; this should have been translated: "Administration nationale du centenaire". In the official French version, it was translated by "Administration du centenaire de la nation", which is not at all the same thing.

It is in part because of this rather significant mistake from an historical standpoint that the Hon. Mr. Lesage, following a letter from the former prime minister of Canada, replied on October 19, 1961 as follows—in my opinion, this letter should be recorded in *Hansard*, since very few hon. members, it seems, have read it. I quote:

My dear Prime Minister,

I hope you will excuse my delay in answering your letter of October 4. I have recently been away on a trip to Europe and, especially, to Paris for the opening of Quebec House.

No doubt will you be inclined to excuse that delay in view of the much more striking one which seems to have occurred. I refer to the fact that, in your letter, you are asking me to appoint two delegates to a "national conference on the centennial of Canada". I think that centennial could have been celebrated either in 1634, a hundred years after Jacques Cartier, or at the very beginning of the eighteenth century, a hundred years after Champlain, whose glorious achievements cannot be brushed aside off-handedly by a mere stroke of the pen.

Your act is aptly entitled "An act respecting the observance of the centennial of confederation in Canada", but that title is inconsistent with section 3, which refers to the "national centennial", and section 17, which refers to "Canada's centennial".

I do not feel I can take it upon myself to let such an ambiguity remain nor do I dare ask my colleagues of the executive council right away to assist me in appointing two persons to represent the province of Quebec at the "national conference on the centennial", for fear of sanctioning something which French Canadians have too much pride to accept, let alone the fact that it would compel their political representatives to take, for the sake of dignity, a stand not in keeping with their true feelings of friendship and their desire to co-operate.

I rely on your sense of justice, my dear Prime Minister, to admit that Canadian history did not begin in 1867 and that to say otherwise is seriously prejudicial to French speaking and English speaking Canadians whose forefathers founded this country long before confederation.

Awaiting your official letter asking the Quebec government to appoint two representatives to the national conference on the centennial, I remain, my dear Prime Minister,

Yours truly.

That letter was dated October 1961, and since the reply of the former prime minister of Canada was not satisfactory, Mr. Lesage renewed his request on May 2, 1963. This time, he wrote to the present Prime Minister (Mr. Pearson). This letter has already been tabled in the house and I do not intend to read it again. I should like, however, to put on record the letter that the present Prime Minister sent to Mr. Lesage on June 7, 1963. Here it is:

My dear Premier,

In the last few days, I had the opportunity to look more fully into the objections you raised in your letter of May 2 regarding certain expressions used in the Centennial of Confederation Act. Those objections seem justified to me.

[Mr. Lamontagne.]

As early as possible in the course of this session, we will introduce amendments to certain sections of the act so as to bring them in line with the general title and historical facts.

I hope that, following those changes, the Quebec government will be able to participate in the celebration of the centenary of confederation and to take the necessary steps in that connection.

Later on, when the Quebec legislature was considering a bill concerning the celebration of the centenary, the two major political leaders, Hon. Jean Lesage and the leader of the opposition, Mr. Daniel Johnson, both agreed that the provincial legislation should not be enacted until the federal act was amended as I have just indicated.

I believe that the problem raised by this resolution is very simple. First of all, I am not the one who delivered the ultimatum, and I think that in this particular case, it is an absolutely justified request, because it agrees perfectly with historical facts.

In my opinion, the problem which we are facing as members of this parliament is very simple. Either we rectify the obvious historical mistakes, which have crept more particularly in the French wording of the present legislation, or, as the leaders of the two main political parties of the province of Quebec have stated, the latter, through the will of the legislature, will refuse to participate in the celebration of the centenary.

Several members of the official opposition have expressed their desire to satisfy the justified grievances of the province of Quebec. As a matter of fact, I heard the whip of the official opposition say something to that effect this afternoon.

In my opinion, the resolution under consideration aims precisely at settling such a grievance. And the time has come, I feel, as much for them as for us all, to put right an obvious wrong, to refrain from needlessly increasing the tensions that exist in our country today and to get ready, all together, to celebrate the centennial of Canada's confederation.

**Mr. Perron:** Mr. Chairman, my remarks shall be brief, but I should like to set some facts straight on matters discussed by the hon. member for Grey-Bruce (Mr. Winkler) and at the same time, set the historic facts in their true context.

The purpose of this resolution, to change the present title of the act to the "Centennial of Confederation Act", is quite justified.

The President of the Privy Council (Mr. Lamontagne) did quite a good job of shedding light on facts concerning the observance of the centennial of confederation which, I think, will be one more step towards the future of this fine and great country of ours.

Sometimes, facts have to be set straight on the basis of history. It might be a good thing to simplify some observations when we talk about celebrating a centennial.

It is said sometimes that 50 years in the lifetime of a happy couple is a short period. We could also say that 100 years of confederative life, in the lifetime of the Canadian people, is in fact only one period because Canada existed before the 1867 confederation. Indeed, it is somewhat like when people prepare to celebrate a 25th wedding anniversary, the husband being 50 and the wife only 40. It does not mean that they will celebrate the wife's 40th birthday or the husband's 50th birthday, but rather their 25th wedding anniversary.

Mr. Chairman, when we consider that confederation which united in this Canada of ours a country with the greatest future, the two great races which served as its basis, I think it would be proper for several of us to recall the discussions held at that time to justify that fusion, that union of the two great races which gave birth to Canada as we know it today.

Something was said about the Charlottetown conference; and something also about the Quebec conference, held in 1864.

When the project for the creation of a Canada with a great future was introduced to the legislators of that time, we must admit that it was a marriage between two great races which were anxious to protect themselves against invasion and assimilation dangers coming from a powerful neighbouring country which had already shown certain aspirations with regard to the British colony that was Canada at the time.

Like in all marriages, there are sometimes some little disagreements, but this does not mean that we are going to divorce. I am convinced that with the good will of our English speaking fellow citizens and of those who believe in the future of our country, we shall celebrate the centennial of confederation in a grand way.

Celebrate the centennial of confederation. I find that those words are appropriate. Unfortunately, in the course of a debate such as this, certain expressions are used at times which show more partisanship than a genuine wish to see this centennial take place in cheerfulness. All those who are nationally minded enough realize the importance, the greatness and the beauty of our country and actually look forward to a revision of the constitution whereby the wrongs and the mistakes which have slipped into the British North America Act would be corrected.

I noted earlier that the hon. member for Grey-Bruce was reading from newspapers which reported certain statements made recently by an eminent Canadian politician who even referred to military service, among other things.

I should like to point out to the hon. member for Grey-Bruce that he could also have recalled to all legislators in this house the stand taken by Hon. Ernest Lapointe in 1940 or 1941 or by Camilien Houde, who was a member of the same party as the hon. member.

I think the man who made the statements reported in those newspapers has the right to be treated fairly and that those statements should not be recalled to arise political passions, to revive old feuds between men of good will who would like nothing better than reach an understanding to make of the centennial of confederation another step toward unity and understanding in this great and beautiful country of ours.

The hon. member for Port Arthur (Mr. Fisher) seemed deeply hurt by the remarks made by the hon. member for Lapointe (Mr. Gregoire) last night about the education system in the province of Quebec. He maintained and deeply regretted, after having revised some of his statements that then, in the west the province of Quebec and French Canadians were unknown, except for our hockey star, Maurice Richard, or Lili St. Cyr.

I should like to point out to the hon. member for Port Arthur the struggles carried on for French survival in the western provinces and for the establishment of a French radio station in Alberta. I think that we could also point out the more recent struggle by our fellow citizens of British Columbia in connection with the schools in Maillardville.

The hon. member for Port Arthur could also remember that French Canadians live throughout the country and that they wish to be in good terms with everyone, so that Canada may become the country with the most brilliant future.

On the other hand, I think that this resolution is in keeping with the historical facts of our country. We are really celebrating the centennial of confederation and not the centennial of the nation. If the wrong interpretation given to this legislation in English as well as in French, is due to a translation mistake—this is what I hope—I think that we have the opportunity by approving this resolution of giving it its true interpretation.

We should adopt the bill which will be introduced and not play politics or launch a fight among the various ethnic groups of our country. The hon. member for Marquette (Mr. Mandziuk) referred yesterday, and rightly so, to the cultures which were brought in our country by other groups. I think that

we have readily endeavoured to encourage these ethnic groups to adjust themselves, especially in the province of Quebec. I know what I am talking about when I say that there can be found in Montreal ethnic groups from various European countries. I think they felt at home in the province of Quebec. I am sure that other new Canadians found a similar welcome in the other provinces.

Once again, I say that the question of racial culture should not be raised to recall events, unfortunate no doubt, that may have taken place. We must rather look toward the future of our country and prepare the centennial celebrations. I am convinced that with the co-operation of all men of good will and, as the President of the Privy Council said, by increasing the number of directors on the centennial commission, we may expect for 1967 greater celebrations than for a fiftieth anniversary. When a couple celebrates their golden wedding anniversary, people often say that they have little time left to live.

On the occasion of the centenary of confederation, we foresee that our country will set an example to the world and that its legislators will succeed in guaranteeing to their constituents not only freedom and security but also countless opportunities.

In this country which has not only vast natural resources but a variety of cultures, we will succeed in establishing a Canadian spirit of which we will all be proud.

[*Text*]

**Mr. Knowles:** Mr. Chairman, I have already spoken in this debate so my remarks at this point will be very brief. In fact, my purpose in rising is to move a one word amendment to the resolution now before us. The amendment I am seeking is in order under the provisions of the appropriate citation which provides that money resolutions can be amended if the amendment comes within the framework of the resolution. I believe also that the amendment meets the points that have been made by the President of the Privy Council and at the same time it will put into the short title a word which I think all of us would like to have there.

I may say before I move the amendment that I thought it was unfortunate that the President of the Privy Council did not make yesterday the explanation that he made today. Some of the debate we have had might have been unnecessary. I am sure he will agree with me that it would be desirable in the short title to recognize that it is the Canadian confederation we will be celebrating when we observe our centennial in 1967. So, Mr. Chairman, since this has been gone over and it does not need to be spelled out at greater length, I simply rise to offer this amendment. Amendments in committee do not require a seconder but my good friend and colleague, the hon. member for New Westminster, would like to be associated with this amendment. Therefore I move, seconded by the hon. member for New Westminster:

> That the resolution be amended by inserting therein, immediately after the words "the Centennial of", the word "Canadian".

Hon. members will see that this will make the short title read, "the Centennial of Canadian Confederation Act". I ask the President of the Privy Council to recognize the fact that this does not deny the existence of a Canada and of Canadians prior to 1867, but I ask us all to recognize that confederation as we know it did take place on July 1, 1867. It was on that date that the Canadian confederation became a reality. Let us be proud of it and let us say in the short title of the act that what we are celebrating is the centennial of Canadian confederation.

**Mr. Lamontagne:** Mr. Chairman, we certainly have no objection to the amendment and we will see to it that the bill will reflect the amendment.

Amendment agreed to.

**Mr. Hamilton:** Mr. Chairman, I should like to say a few words on the resolution—

**Mr. Knowles:** As amended.

**Mr. Hamilton:** As amended—in reply really to the remarks of the President of the Privy Council. First of all, I do not think that in meeting the charges of the Leader of the Opposition he was impressive in reading out that list, because as we listened to the list we wondered whether the percentage figure given by the Leader of the Opposition was too conservative. I am not quarrelling about that so much as the fact that the President of the Privy Council in his remarks made it very clear that the act was really being amended for one reason only, because there was an ultimatum served by Premier Lesage of Quebec.

On this particular subject of the ultimatum as to the title I do not think it is a serious enough matter on which to start a quarrel, but in the celebration of our birthday I think it is a great pity that the word "ultimatum" has to be used. Surely in this day and age of political thinking we have enough experience and judgment that we can resolve all these matters without the use of the word "ultimatum". As the hon. member spoke I wondered whether this ultimatum included the world fair in Montreal. If the house decides not to play in this little game of quibbling about the title, does that mean that Quebec

will cease to participate in the world fair? These are questions in our minds.

My point in rising, Mr. Chairman, is simply to express the distaste which we feel, not only at this subterfuge of bringing in patronage—that is a small issue and we can override that—but at the fact that we are amending the act because of an ultimatum.

**Mr. Pickersgill:** Would the hon. gentleman permit me to ask him a question. Does the hon. gentleman not think that all this difficulty and the need for this whole measure could have been avoided had the right hon. gentleman, who was prime minister when the original legislation was enacted previously, consulted all the provinces, as his party is constantly admonishing us to consult, before they brought in this legislation? Then there would have been no difficulty about having a French version and an English version which meant something different, and we would not have had to take all this time. Surely we should all be glad to correct this little problem in semantics and get on with the important business of the house.

**Mr. Vincent:** That was the work of the opposition in 1961.

**Mr. Hamilton:** The Secretary of State, by rushing into this short debate in order to ask this question, remembers not that this matter was the subject of discussion for months before the act was passed in this house. Why did he not bring this matter up then?

**Mr. Pickersgill:** Because your party was the government.

**Mr. Hamilton:** There was all sorts of time to consult the provinces. I am making the point that it was the President of the Privy Council who a few moments ago said that the reason for these amendments was primarily because of an ultimatum from Premier Lesage; and I am making the point that the matter is too small to start a fight over—I agree with the Secretary of State there. I am saying that I have a feeling of distaste as a Canadian because this house has to do something by virtue of an ultimatum. I do not think the use of the word "ultimatum" is the way to correct errors.

I was one who many years ago during the war, when I found so many of my comrades overseas so unaware of the reason for the position they were in, in the lonely hours raised the question over and over again: What is it all about? As an older person knowing a little about the history of the country I took it upon myself in the tents to explain as best I could what it was all about. I know many others who knew a little about our story, did the same. History is the story of mankind and institutions. You cannot move forward in history and achieve the fulfilment of your destiny without knowing your background.

We formed ourselves into a federal state in 1867 for better or worse. We are one nation now and this is our 100th birthday coming up. Many of us thought that if many of these men serving their country overseas did not know our story, what a failure there had been in Canada to tell the young people the story of their country going back to the days of the Indians and Eskimos. Do not stop at French Canada; go back to the very beginning. We knew our educational system had failed us, and one of the ways we thought we could put these ideas forward and make Canadians conscious once again of that story was to use the birthday celebrations of 1867. We should tell the story during the intervening years leading up to 1867. This was to be rededication of Canadian people to the great principles which brought people to this continent and enabled them to go through the pioneering and suffering they went through to build this nation. This was a contribution made by many people.

I had hoped at this time that we would be well on the way with our centennial celebrations. To me our centennial was not just a question of building buildings and holding fairs. To me the primary purpose was to educate the people of Canada, not only the million people who have come to our shores during the last 18 years, but the two or three generations who have been educated in our new system of education, where they learn little history. Let us turn back the clock a little and open up the pages of history showing what men in this country endured. This is the purpose of our centenary.

We will not quarrel with the government over the title. We will not quarrel with them over the type of people the appoint. I am sure they are all good people. But some would have liked to see the acceptance of the fact that maybe a few of them should have been from other parties than the Liberal party, that is all. We ask the government and the centennial staff to remember that their primary job is to tell all the Canadian people the story of what has happened in this country, the story of the men who went across the country, and the men who came after and developed it. This is a story which will bring pride to us all. I personally am proud to live in a country which has two legal languages. When I go abroad I am proud to say that in my country two colonial groups from two parent powers in Europe united to form one country and to welcome all other people. I am proud to say that, and I want every other Canadian to know this story.

This is why I rise in this debate, to say that I do hope we will not have to continue the federal system by continually giving way to ultimatums. I think as a matter of principle there should be a co-operative approach. I think this approach could have been achieved, and I feel very unhappy at this moment that we have to accept today these amendments to this act. But in accepting them, and feeling unhappy as I do, I hope the government will not fail to carry out the primary function of this birthday celebration, but will use the years and the months which remain to build up in Canada a knowledge of what has gone into the country, so that we can dedicate ourselves to the principle more successfully to carry out the future before us.

Resolution as amended reported and concurred in.

**Mr. Lamontagne** thereupon moved for leave to introduce Bill No. C-107, to amend the National Centennial Act.

Motion agreed to and bill read the first time.

**Mr. Pickersgill:** Mr. Speaker, before the next item is called, so that there would be no misunderstanding, I wonder if it could be understood that the bill which has just been given first reading, and which is in fact already printed, I believe, could be presented in the form in which it was printed so as to enable us to get on with the work tomorrow, and that the corrections consequent upon the resolution could be deemed to be made in the bill, so that it is regularized and the matter thereby not held over for another day?

**Mr. Knowles:** I am sure the suggestion made by the Secretary of State will be acceptable, unless it is possible to print the bill overnight. My friends over at the printing bureau work fast and I am sure they could do it if necessary.

**Mr. Pickersgill:** If it is possible, it will be done, but I should like to be doubly sure we do not have a lot of difficulty about a technical point tomorrow.

**The Acting Speaker (Mr. Batten):** When shall the said bill be read a second time? Next sitting of the house?

**Some hon. Members:** Agreed.

## ADMIRALTY ACT

### AMENDMENTS RESPECTING SALARIES OF JUDGE AND REGISTRAR

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

That it is expedient to introduce a measure to amend the Admiralty Act to permit the governor in council to authorize the payment of a salary not exceeding four hundred dollars per annum to a surrogate judge in admiralty and a salary not exceeding three hundred dollars per annum to a registrar in admiralty.

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

**Mr. Macdonald:** The purpose of this resolution is to make provision for the emoluments and remuneration of a number of administrative officers who are responsible for carrying out the provisions of the Admiralty Act. I may say briefly to the committee that the subject of navigation and shipping has, under the British North America Act, been made the responsibility of the parliament of Canada and pursuant to this responsibility the parliament of Canada has enacted the Admiralty Act. In so doing it set up as the court responsible for admiralty proceedings the Exchequer Court of Canada and by the same statute it divided the country into eight admiralty districts coextensive with the eight Canadian provinces which have a salt water coast line. Courts have been set up in each province for this purpose and as a matter of practice the administrative officials responsible for the functioning of the courts have commonly been employees of the provincial governments of the provinces. The two particular positions referred to in this resolution, that of surrogate judge and registrar, while provided for in the Admiralty Act were positions for which no remuneration was provided.

It has been found difficult in recent years, due to the low tariff and the comparative paucity of business, to provide through the fees sufficient remuneration to pay to these officials not only a return for the time and thought involved in the performance of these duties but even the actual cost of maintaining the admiralty records. The practice heretofore has been for the registrar and the surrogate judge to retain for themselves the fees received in accordance with the general tariff and the rules and orders under the Admiralty Act. The purpose of the bill proposed in this resolution is to permit the governor in council to authorize the payment of a salary to each surrogate judge in admiralty and each registrar in admiralty, respectively, of $400 and $300 per annum. In other words, the officials will be paid these emoluments; and the fees in question, which hitherto have been their emoluments, will be paid into the consolidated revenue fund. My information is that this resolution is in substantially the same form as that in which it appeared on the order paper last year.

Resolution reported and concurred in.

**Mr. Pickersgill (for Mr. Chevrier)** thereupon moved for leave to introduce Bill No. C-108, to amend the Admiralty Act.

Motion agreed to and bill read the first time.

**Mr. Pickersgill:** I wonder if the house would be disposed to consider going through the other stages of this important measure so that we could give something to the other place to do? The explanation given by my hon. friend from Rosedale (Mr. Macdonald) will, I am sure, have convinced everyone—

**Mr. Knowles:** If the Secretary of State does not take up all the time until six o'clock.

**Mr. Pickersgill (for Mr. Chevrier)** moved the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—*Salary of surrogate judge and registrar.*

**Mr. Aiken:** I do not wish to delay the proceedings but there is one matter which occurred to me on the resolution and it occurrs to me again, now that I see clause 1 of the bill. The bill appears to authorize only one salary of $400 to a surrogate judge and $300 to a registrar. I am asking the minister whether it is clear that this could affect any surrogate judge and any registrar. From the way it appears here, it would seem that only one surrogate judge and one registrar would be entitled to a salary, and this is the way the resolution read. Is the minister satisfied that these provisions will cover any surrogate judge and any registrar? I should like to know how many are involved.

**Mr. Macdonald:** The real purpose is to cover the registrar and the surrogate judge in the admiralty district of Ontario. These positions have been held by an officer of the supreme court of Ontario as registrar and by the senior master of the supreme court of Ontario as the surrogate judge. Due to the situation in the Ontario courts, this has been the area in which there has been difficulty in getting people to continue this operation. It is for this specific purpose that the bill has been brought forward.

**Mr. Aiken:** Do I understand that this affects only one surrogate judge and one registrar?

**Mr. Macdonald:** Yes.

**Mr. Aiken:** Does the bill change the situation with respect to fees, or will the officials receive the fees in addition to the small salaries?

**Mr. Macdonald:** The second subsection of the proposed new section 14A indicates that the emoluments provided in subsection 1 shall be in lieu of the fees which have hitherto gone to the two officials concerned. As provided by subsection 2, if they receive remuneration those fees will go into the consolidated revenue fund.

**Mr. Aiken:** I hope the judge and registrar are satisfied with this very large emolument they are now receiving.

**Mr. Macdonald:** May I inform the hon. member that while this may not seem like a princely sum, it will meet their requirements.

**Mr. Dinsdale:** While this measure seems to apply to only one judge, I notice that in the explanatory note there is a reference in the plural to admiralty districts, surrogate district registrars, admiralty judges and so on.

**Mr. Macdonald:** I agree with the hon. member that the plural is used in the explanatory note, but my understanding is that the measure is only intended to apply to the province of Ontario.

Clause agreed to.

Title agreed to.

Bill reported.

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

**Some hon. Members:** Now.

**Mr. Aiken:** Next sitting.

## BUSINESS OF THE HOUSE

**Mr. Hamilton:** I wonder if the acting leader of the house would give us the business for tomorrow and possibly Friday?

**Mr. Pickersgill:** I did not realize that the hon. gentleman was suffering from blindness. I think we would just take the third reading, and I would hope there would be no great time taken with it, of this important measure that the house was good enough to carry so far today, the Admiralty Act. Then, we would take the second reading and the other stages, if possible, of the bill that was given first reading just before this one, respecting the Canadian centennial. After that, we would like to take the three resolutions standing in the name of the Minister of Transport in the order in which they were indicated yesterday by the Solicitor General.

In so far as estimates are concerned, it is not proposed—I may say I have discussed this through the usual channels—by the government to take any government legislation beyond five o'clock tomorrow. Tomorrow evening in committee of supply, the understanding is we would continue with the estimates of the hon. lady, the Minister of National Health and Welfare. When they have been completed, we would hope to conclude also the estimates of the Department of Public Works. On Friday—

**Mr. Knowles:** That is a change from the Department of Labour, is it?

**Mr. Pickersgill:** I think I indicated to the hon. gentleman it was only if the Minister of Labour was available, and he is afraid he cannot be. On Friday, we intend to go into supply as soon as the orders of the day are reached and begin with the estimates of the Minister of Industry, and all the various departments and agencies for which he is responsible. When they have been completed we will resume consideration of the estimates of northern affairs, and when they have been concluded we will resume consideration of the estimates of Mines and Technical Surveys. I believe the Minister of Fisheries will also be available to complete his estimates before 10.30.

It being seven minutes after six o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Thursday, November 21, 1963**

The house met at 2.30 p.m.

## EXTERNAL AFFAIRS

REPORT ON PARIS MEETING OF O.E.C.D.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Prime Minister indicated yesterday that on my return from the organization for economic co-operation and development meeting held in Paris on Tuesday and Wednesday I would make a brief statement on the results of this conference, which was presided over by the foreign minister of Norway, Mr. Lange. I wish to table the communique issued at the conclusion of this meeting, and with the permission of the house perhaps it might be printed as an appendix to *Hansard* of today, as was done in other years.

The organization for economic co-operation and development provides an important bridge between the European and North American parts of the Atlantic community. It is expected shortly to be broadened by the inclusion of Japan when the parliamentary procedures in that country have been completed. These links among such key countries make this organization extremely important in Canada's general foreign relations. The O.E.C.D. provides a forum for consultation among representatives of the principal industrial nations of the west.

The most important feature of this particular meeting was the discussion of assistance by member countries to the less developed nations of the world. I emphasized the importance which the Canadian government attaches to the efforts of the O.E.C.D. to improve the co-ordination of aid. I indicated that the statistics frequently referred to comparing aid programs of Canada and other countries were often misleading and needed to be interpreted with great care. There are problems of definition and content which must be examined critically. Moreover, as the organization has recognized in the past, there are qualitative as well as quantitative factors which must be introduced for a meaningful comparison.

I am happy to report that representatives of other member governments warmly received the details of the increase in our own aid program which were announced in this house last Thursday. The meeting also considered the trade relations of member countries with the less developed countries and agreed on the importance of approaching the United Nations conference on trade and development with the intention of making a positive contribution to the necessary efforts to expand the trade of these developing countries. The occasion of this O.E.C.D. meeting provided an opportunity for the ministers from the NATO countries to take part in an informal NATO discussion on east-west economic and other relations. This is, of course, a subject under continuing study by the organization, and we had a frank and useful discussion of the significance of recent developments.

In making this statement I have taken note of the questions asked of the Prime Minister by the hon. member for Burnaby-Coquitlam and the right hon. Leader of the Opposition yesterday and the day before. In particular the council considered the role of government credit and government guarantees of private credit in trade with the communist countries. No attempt was made to reach an agreed view, as this was not the object of the discussion. I made it clear that Canada favoured east-west trade in non-strategic goods on a mutually advantageous basis.

Regarding government to government credit, I reported that Canada like most other NATO countries has not extended such credits to any communist country. In connection with the question of credit guarantees, I stated that Canadian policy is generally to follow the criteria established for members of the Berne Union; that is, normally to limit government guarantees of private credit to five years. This policy is maintained with respect to all countries on a non-discriminatory basis, and of course applies to guarantees of private credits for Canadian sales to communist countries.

I may say in conclusion that the reports which I have seen on my return this morning indicating that Canada had taken a position other than that of the government of the United Kingdom are not founded in fact.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** The house will welcome the presence of the genial Secretary of State for External Affairs. We saw him pictured in various poses during his visit to Paris. His look of suspicion has no basis in fact.

*Paris Meeting of O.E.C.D.*

Naturally, we give our support to the O.E.C.D., and I am very glad to hear that Japan is about to join. We endeavoured, during the days of the Conservative administration, to encourage the adherence of Japan; we gave it our full support.

However, I should like to refer particularly to the credit arrangements which were discussed. According to the various press items there was in fact an endeavour on the part of the United States to bring about an end to all credit or credit guarantees to communist countries.

**Mr. Martin (Essex East):** That is not accurate.

**Mr. Diefenbaker:** I am just mentioning what the press had stated. The minister has said, as I took from his remarks, that we believe there should be a restriction to five years. Personally, on the basis of recent experience, I believe that period will have to be increased. I found a situation outside the communist countries in the Middle East demanding that there must be an increase in the period during which credit is given. I hope consideration will be given by the government to this very important question outside the communist countries. I know that in Israel I found that Canada could considerably extend its trade were it able to give the same kind of extended credit facilities that are available elsewhere. There is one particular, large order for railway supplies, ties and the like. Canada is in the position where credit could be extended for only a few years. One particular country has offered credit running over a period of, I think, 20 years with interest rates lower than those that we in Canada are able to give. In other words, countries are becoming strongly competitive.

I think the government of Canada will have to move forward with the times. We did our part when in office to provide credit, to expand and extend trade, but I feel that what we did will have to be extended in order to meet the stronger and ever increasing competition of other countries for world business.

I should also like to say to the minister that he might clarify the announcement he made just prior to his departure relating to increased assistance to underdeveloped countries. I have examined his statement, and the more that I examine it the more it seems to be an economic conundrum. It is difficult to understand what he meant and what is the amount of the increase. It has been stated in the press that in Paris he spoke of an increase of $170 million in Canada's aid overseas. I am sure he did not say that, but that was in the press. I hope that at the earliest possible date, with the perspicacity and ability in language that he possesses, he will translate the as yet untranslatable. As one looks at the picture and reads the statement one asks oneself, how much is Canada going to advance additional to that provided in the past. The minister may have been able to make that clear to the O.E.C.D. so they would understand it, but I should like him to make it possible for Canadians to appreciate it as well.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I am sure members in all parts of the house welcome back the Secretary of State for External Affairs from his meeting with the O.E.C.D. in Paris. We are glad he has avoided some of the pitfalls which have sometimes enticed members who visit that playful city. Certainly on behalf of the members of this group we welcome any steps which are taken to bring Japan into the O.E.C.D.

I am glad to hear the minister say that a good deal of time was spent on the matter of additional aid to underdeveloped countries. I think one of the great disappointments for those who supported the idea of NATO has been that so little is done under article 2 of the NATO charter. It was hoped that the O.E.C.D. would be the instrument through which the western democracies would use some of their vast resources to assist the underdeveloped countries. It was hoped that the trend might be away from concentration upon military expenditures toward greater investment in the development of these emerging countries. I think most of us are disappointed that these expectations have not been fulfilled.

I am glad the minister clarified the situation for those attending the O.E.C.D. meetings. I still think it requires clarification in Canada. The hon. gentleman announced the other day a $70 million increase in Canada's contribution. If one examines the statement carefully, however, one finds that $50 million of this sum really consists of loans, which means that our cash outlay in terms of outright assistance is small indeed. I think the minister should know that we in this party, and I believe members in all parties in the house, would be prepared to give the government wholehearted support if he and his colleagues were to embark on a bold and imaginative program of aid to underdeveloped countries.

I was glad to hear the hon. gentleman make mention of long term credits. We have no way of knowing exactly what transpired at the meetings, but the press reports indicated that the United States representatives were urging that credit extended to communist countries should be limited to a maximum of five years. It was also reported that the

United Kingdom representatives had opposed this suggestion, and I am glad to learn that Canada joined with Britain in this regard.

It is important for Canada to extend her trade irrespective of whether the countries with which we trade are communist or not. Good trading relations are the basis of good international relations. We think that countries become better friends, and have a better understanding of each other if their trade relations are expanded. I hope the government will continue to oppose any restrictions as to time in connection with these credits, and that it will be prepared to consider advancing long term credit not only to communist countries but to any others which may wish to enter into trade agreements with Canada on this basis.

**Mr. R. N. Thompson (Red Deer):** I join with the previous speakers in expressing our pleasure at the fact that the Secretary of State for External Affairs is back in our midst again, and that he had a successful meeting with representatives of other member nations of O.E.C.D.

I think it is good that we should realize that the basic intent of the Atlantic community was not merely military in character. I believe as we move forward, away from the circumstances which developed in Europe at the end of the second world war, we should increasingly recognize the importance which is attached to the economic aspect of the work of the north Atlantic community. I am thinking in particular in terms of trade. However, the objectives of the economic policies of the north Atlantic community should run parallel to those objectives with which the military aspect of the alliance was originally concerned, that is to strengthen and protect the nations and their economies forming the alliance.

In my opinion it is an excellent thing that Japan should be moving closer to membership, and no doubt there are other countries which could be included in the same category as Japan. They too should be welcomed as members. It is most important that the underdeveloped nations of the world should be considered. I would have been much more pleased to read reports that the Secretary of State for External Affairs had given leadership in the direction of developing trade with the underdeveloped countries to a far greater extent, on the basis not only of a completely new approach to some of the economic problems involved but also of new policies with regard to aid. As has been suggested, we should be extending greater credit arrangements on a new basis if necessary so as to reach out to those nations which are now emerging and which would like to stand with the free world. There would be no shortage of markets in the world if only the people who are today suffering from hunger had the dollars with which to buy the goods we can produce.

In the over-all picture leadership to this end would be an excellent thing. I do emphasize again to the Secretary of State for External Affairs the need of standing with those who are our friends, and doing so in such a way that we can strengthen them having regard to the situation that continues to exist in the world today.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, we are happy to hear that the Secretary of State for External Affairs (Mr. Martin) had a pleasant stay in Paris and that he met with the representatives of various European and North American countries.

Next time the Secretary of State for External Affairs goes to Paris, I hope that he will invite me to accompany him so that I may see for myself what happens with regard to agreement.

The result of that conference which was held in Paris seems to be a greater economic co-operation between Europe and North America, which will contribute to improve considerably our trade relations with various European countries.

I also understand that this conference will result in a larger contribution to the assistance given various underdeveloped countries in the world.

We encourage the Secretary of State for External Affairs, as well as the government, to pursue a policy which will prevent the free countries in the world from being influenced by subversive philosophies. I think that with regard to this matter, the Secretary of State for External Affairs, as well as the government, could show leadership and even set an example to the whole world, and that, while improving our relations with some communist countries.

Some people seem to be shocked at Canada's dealings with certain communist countries. Yet the latter do not hesitate to deal with or to try and influence the western countries, or the free countries, of which we are one. But we should not be afraid to take some action or measures to prevent communism from progressing in the world, as is now the case.

On behalf of our group, I commend the Secretary of State for External Affairs, and I urge him to show the way to a durable peace in this world.

[*Text*]

**Mr. Speaker:** Does the house give consent to the printing in *Hansard* of the O.E.C.D. press release dated November 20, in English

and in French, as requested by the Secretary of State for External Affairs?

**Mr. Diefenbaker:** It is a communique.

**Mr. Speaker:** The communique. Agreed?

**Some hon. Members:** Agreed.

[*Editor's note: For text of document referred to above, see appendix.*]

## COMMITTEES OF THE HOUSE

PRIVILEGES AND ELECTIONS—FOOD AND DRUGS —CHANGES IN PERSONNEL

[*Translation*]

**Mr. Maurice Rinfret (St. James)** moved:

That the names of Messrs. Francis and Rondeau be substituted for those of Messrs. Rideout and Gregoire on the standing committee on privileges and elections.

That the name of Mr. Francis be substituted for that of Mr. Pennell on the special committee on food and drugs.

[*Text*]

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, this is a shameful motion, in that it seeks to take off the committee on privileges and elections two members who had the courage to give their own opinions objectively. That is what is being done in this particular motion.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Lloyd Francis (Carleton):** Mr. Speaker, on this particular motion I wish to say I was a member of both these committees before becoming a delegate of Canada to the commonwealth parliamentary association conference in Malaysia. During the period of my absence from Canada there was an understanding that I would be temporarily replaced on these committees but that on my return I would be permitted the privilege, with the consent of the house, of resuming my seat on the committees in which I am interested and to which I was originally assigned. The intent of this resolution is purely and simply to permit me to resume the positions which I originally had on the committees, and I am sure there is no other implication whatsoever.

**Mr. Aiken:** On the point of privilege, Mr. Speaker—

**Mr. Pickersgill:** There is no privilege.

**Mr. Aiken:** On the point of privilege that was raised surely I can reply, because I meant no offence whatever to the hon. member who has spoken. He is only one hon. member who is going on the privileges and elections committee. My objection is that the two hon. members who are being taken off the privileges and elections committee are the identical two members who did not vote with the government to back up the cabinet decision on a particular matter. This is my objection. I am not raising any objection to the hon. member for Carleton, who is only one of the members nominated.



**Mr. Speaker:** Order. The house has heard the motion. Is it the pleasure—

**Mr. J. J. Greene (Renfrew South):** On a point of privilege, Mr. Speaker, I am one of the people affected by this change. To the best of my knowledge there was no cabinet decision on this matter. Any decision made was made by the individual member as he saw fit, and we were put on there to replace people who were away. It was my understanding that I was placed on the committee to replace the hon. member for Brantford (Mr. Brown), who is away. Whether he has come back I am not sure, but I want to stress that there was no cabinet decision.

**Mr. Pigeon:** How do you know?

**Mr. Greene:** Again on the point of privilege, there was no direction, and if there was I certainly did not know anything about it.

**Mr. Bell:** That is the point.

**Mr. K. H. More (Regina City):** On a matter of privilege, Mr. Speaker, I would like to ask if the hon. member for Carleton was a member of the committee at its session this morning. He sat in the quorum and took part in the meeting, and it now appears that he was not a member of that committee.

**Hon. J. W. Pickersgill (Secretary of State):** On a point of order, Mr. Speaker, I think it is a well established rule of the house that until a committee has reported, its proceedings are not debatable in the house. It seems to me the time of the house is being wasted in a way that is wholly irregular and contrary to the rules, and we should proceed in the proper way and abide by the rules of the house.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would not inject myself into this discussion if we had not had this gratuitous insult from the Secretary of State. What is being done is not against the rules of the house. The action taken by the government is an obvious endeavour on its part to prevent members of the committee carrying out their individual wishes for the benefit of the house as a whole.

**Mr. Pickersgill:** Mr. Speaker, on a question of personal privilege, I am claiming no special privilege as house leader, but as a member of the house I have the same right as any other member to raise a point of order without having to endure the gratuitous, uncalled for, and injurious insults of the right hon. gentleman who, every time he rises on a

matter of procedure, demonstrates anew his complete lack of knowledge of the rules of the house.

**Mr. Speaker:** If I may interrupt—

**Mr. Eldon M. Woolliams (Bow River):** On a point of privilege—

**Mr. Speaker:** Would the hon. member please take his seat? If I may—

**Mr. Woolliams:** On a point of privilege—

**Some hon. Members:** Sit down.

**Mr. Speaker:** If I may inject just at this time, I wish to say that in a situation like this a reasonable amount of pointed questioning, and even remarks, should be permitted, but I hope we will not descend into a long range debate on the question at issue.

**Mr. Woolliams:** It is not my intention to go into a long range debate, but I do rise on a point of privilege that I think affects all hon. members. On a point of privilege I would like to ask why this committee is sitting three times a day. We have other responsibilities in the House of Commons than to attend on committees. One would assume, after the recent speech of Mr. Davey, that they were rushing through this type of legislation without proper care and without giving it proper scrutiny because they want to rush Canada into another election. I well recall the Secretary of State, who is always so courteous, on several occasions—

**Mr. Speaker:** Order.

**Mr. Woolliams:** Between 1958 and 1961—

**Mr. Speaker:** Order, please. This is entering into a complete debate, and I wonder if the hon. member has a point of privilege. I have not seen any prima facie case of privilege yet. Generally speaking, matters affecting a committee should be decided in the committee without wasting the time of the house.

**Mr. Woolliams:** Surely there is a point of privilege, Mr. Speaker. We all have certain responsibilities to the house, to our work in committees, and other responsibilities. As I say, I well recall the Secretary of State crying in this house because the committees were sitting once a day when the house was sitting. Now he wants this committee to sit all day when the house is sitting. When the shoe is on the government foot it is a different tune, and that is my point.

**Hon. D. S. Harkness (Calgary North):** Mr. Speaker, to get back to the point of order raised by the Secretary of State which, as I understood it, was that there was no right to debate a motion of this kind to change the members of a committee—

**Mr. Pickersgill:** No, no.

**Mr. Harkness:** I think this should be made quite definite. I have always understood, in all the time I have been here, that there was a right of debate on a motion of this kind. I do not think it should be established by the statement of the Secretary of State that there is no right to debate a motion of this kind to change the members of a committee.

**Mr. Pickersgill:** Mr. Speaker, I am sure the hon. member for Calgary North would not want to misrepresent what I said. It is quite possible that I did not make myself clear.

**Mr. Pigeon:** It is not the first time.

**Mr. Pickersgill:** It would not be the first time I had not made myself clear to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon); but the point I raised, and it is a very serious point, was not that this motion was not debatable but that it was against the rules of the house to debate the proceedings in a committee—

**Mr. Aiken:** We are not.

**Mr. Pickersgill:** —until the report of the committee had been received. Several hon. gentlemen, starting with the hon. member for Parry Sound-Muskoka began discussing things that had gone on in the committee at a time when, on my submission, sir, on a proper interpretation of the rules there was no report from the committee, and therefore there was nothing before the house about the proceedings of the committee.

If the hon. gentleman had merely wished to move that somebody else be put on the committee instead of my hon. friend from Carleton, I can say I have seen that happen before. It would have been in order, but to use this as an excuse to debate what is going on—

**Mr. Woolliams:** On a point of order—

**Mr. Pickersgill:** I am speaking, sir, on a point of order.

**Mr. Speaker:** The Secretary of State is on a point of order.

**Mr. Pickersgill:** I almost regret that I raised the question, because it seems whenever we seek to carry out the rules of the house we simply take more time than if we disregarded them altogether, but I suggest it is really quite serious when the right of any hon. member to raise a point of order, and to suggest that the rules should be observed, is questioned by a paid officer of the house, the Leader of the Opposition.

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I would like to say a word on the point of order raised by the

hon. Secretary of State. He has now injected into this debate some of his usual accusations and innuendoes. He is constantly throwing out the suggestion that the rules are not being obeyed. No greater breaker of the rules exists in this house than the Secretary of State.

**Some hon. Members:** Hear, hear.

**Mr. Churchill:** Then he ends with his customary slurring remark with regard to the right hon. Leader of the Opposition. This is typical of the attitude of the Secretary of State to parliament. We are those who have maintained the rules of this house and set an example to hon. members opposite.

**Some hon. Members:** Oh, oh.

**Mr. Churchill:** On this particular question, Mr. Speaker, the Secretary of State, in his usual fashion, rises to lecture the house. This matter could have been finished long ago if he had listened to other people. But no, he must rise and lecture the house and tell us what he thinks we should do. If he would set a proper example there would be no trouble here whatsoever.

**Some hon. Members:** Hear, hear.

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I would like to speak to the substance of the motion, if I could, and support it. While I do not think it is formally institutionalized by the rules, it seems to me it is a custom here that the parties determine what members among their ranks shall sit on committees. If we entered into a debate in contradiction of this custom and, say, pushed this to the stage where we would have the house voting upon the matter, we would be interfering not only with what is a party custom but with the individual rights, it seems to me, of members of parliament. I have heard no objections in this discussion from the members affected by the motion.

**Mr. Woolliams:** They are scared.

**Mr. Fisher:** I have just heard an interjection that they are scared. I think the hon. member for Bow River has to admit that he is exaggerating. I have been in this committee and have not been able to figure out the voting pattern at all, because we have had Social Credit-New Democrat-Liberal-Tory coalitions, if you want, as far as voting is concerned. It seems to me that the implication is nonsensical.

**Mr. Aiken:** Mr. Speaker—

**Mr. Speaker:** Order. I deliberately allowed a short discussion on this matter because it seemed to me there perhaps might have been a ground for complaint. But as to the substance referred to by the hon. member for Port Arthur, I propose to now put the motion. The house has heard the motion; is the house ready to adopt it? Is the motion, as put by myself a short time ago, adopted?

**Mr. Aiken:** Mr. Speaker, would you call for the yeas and nays.

**Mr. Speaker:** Those in favour will please say yea.

**Some hon. Members:** Yea.

**Mr. Speaker:** Those against will please say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it. I declare the motion carried.

Motion agreed to, on division.

VETERANS AFFAIRS—PRIVILEGES AND ELECTIONS

**Mr. Maurice Rinfret (St. James)** moved:

That the name of Mr. Otto be substituted for that of Mr. Moreau on the standing committee on veterans affairs.

That the name of Mr. Scott be substituted for that of Mr. Fisher on the standing committee on privileges and elections.

Motion agreed to.

## CONSUMER CREDIT

APPOINTMENT OF COMMONS MEMBERS OF SPECIAL JOINT COMMITTEE

**Hon. J. Watson MacNaught (Solicitor General)** moved:

That the members of the House of Commons on the joint committee of the Senate and House of Commons to inquire into and report upon the problem of consumer credit, approved November 8, 1963, be: Messrs. Bell, Cashin, Chretien, Coates, Cote (Longueuil), Crossman, Deachman, Drouin, Gauthier, Greene, Gundlock, Irvine, Miss Jewett, Messrs. Kindt, Macdonald, Marcoux, Matte, Nasserden, Orlikow, Pennell, Pugh, Ryan, Scott, Vincent.

Motion agreed to.

## TRADE

WHEAT—TABLING OF AGREEMENT WITH POLAND

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I beg leave to table two copies, in English and French, of the long term wheat agreement between Canada and Poland signed at Ottawa on November 5, 1963.

## EXTERNAL AFFAIRS

CUBA—SUGGESTED APPEAL TO PREMIER CASTRO BY PRIME MINISTER

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would like to ask the Prime Minister whether, having regard to the seriousness of the prospective

trial in Cuba and the fact that sentences of death are generally carried out with very little delay, he would now consider making an appeal directly to Fidel Castro in this regard. I point out the example that took place within the last two weeks in the U.S.S.R., where a university professor was arrested, held incommunicado and, following direct representation, was released.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I do not wish—and I am sure my right hon. friend would agree—to do anything which will prejudice rather than help the position of these two Canadians in Cuba. I will be glad to take his particular suggestion under advisement. I should add that the Secretary of State for External Affairs has seen the Cuban ambassador again, and our ambassador in Havana has seen the foreign minister of Cuba on this particular point within the last 24 hours.

**Mr. Diefenbaker:** I do not want to do anything either to embarrass the government acting for all Canadians in this matter, or to endanger those who are under arrest, but I stress once more that I believe the Prime Minister communicating directly could do a great deal that ordinary diplomatic communication cannot achieve.

PROPOSED VISIT TO FRANCE BY PRIME MINISTER

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I should like to address a question to the Prime Minister. It arises out of a statement made by the Secretary of State for External Affairs in Paris. I should like to ask the Prime Minister whether he has received an invitation from France to visit that country in the near future. If so, what are the dates of that visit by the Prime Minister to France?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the dates and the details have not yet been worked out. All I can say is that it will be some time in January.

**Hon. D. S. Harkness (Calgary North):** A supplementary question. Could the Prime Minister inform the house what is the purpose of this projected visit to France?

**Mr. Pearson:** I hope it will be a good will visit.

RUSSIA—REPRESENTATIONS RESPECTING PERSECUTION OF JEWS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Prime Minister. Has the right hon. gentleman yet been able to ascertain whether there is correspondence between the government and the Canadian Jewish Congress on the matter he spoke about yesterday? If so, will this correspondence be tabled by him in pursuit of the exchanges we have had, or will it be necessary for me to put a motion on the order paper?

**Right Hon. L. B. Pearson (Prime Minister):** No. I am investigating my own files. There may be correspondence with other members of the government. I want to make sure I have it all, and then I will be in a position to put the correspondence on record.

## DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO REVISION OF TAX RENTAL AGREEMENTS

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, in view of the fact that the federal-provincial conference will be held next week, I wonder whether the Prime Minister would care to take the house into his confidence and indicate whether the government is going to offer to the provinces a revision of the tax rental agreements, and whether he is willing to extend to the provinces a larger share of the income and corporation tax fields up to the 25 per cent which has been asked for by one of the provincial premiers.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, my hon. friend has been a member of this house for many years and has been the head of a provincial government. I am sure he would not expect me to state publicly at this moment, on the eve of the conference, any offer that might be made by the government to the provinces in this or any other matter. He talked about the tax rental agreements. The tax rental agreements, of course, do not exist at present. Fiscal relations are on the agenda, and we propose to discuss this matter in all its aspects. I do not think it would facilitate the kind of agreement which we hope will be arrived at if on the eve of the conference, representatives of the federal government were to state what the case of the government will be in this matter.

**Mr. Douglas:** A supplementary, question, Mr. Speaker. Does the Prime Minister not think that in view of the fact that any decision which is reached will have to be ratified by this house, it might create a good atmosphere at the federal-provincial conference if the Prime Minister gave some indication as to what offers will be made, particularly with reference to an offer of the federal government to pay its share of the increase in the old age assistance pension,

the blind pension and the disabled persons allowance, effective October 1? I think this would be of great interest to the people of the country, and I thought the Prime Minister might want to give some indication to the house.

**Mr. Pearson:** I do not mean to be difficult in this matter, but I think it would be most unwise from every point of view if I gave the impression that the government is going to make offers on these matters. There is going to be an exchange of views, and the agreement which I hope will be reached will result from an exchange of views. We would not want to make public before the conference, on either level of government, offers which would be interpreted on the other side as offers for bargaining purposes.

SUGGESTED CONSIDERATION OF ELECTION ACT AMENDMENTS

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** In view of the fact that the government, according to the Prime Minister, is considering the introduction of legislation to lower the voting age to 18, and in view of the fact this has already been done or is contemplated by a number of the provinces, will the Prime Minister bring this matter before the federal-provincial conference next week so that a uniform voting age could be agreed upon and established throughout Canada? In addition, if an age of less than 21 is agreed upon by the provinces, will consideration be given to removing the legal disabilities of persons of that age; and by legal disability I refer, of course, to their inability to enter into contracts.

**Mr. Speaker:** Order, please.

**Right Hon. L. B. Pearson (Prime Minister):** I agree that this matter, which is important, should be discussed with the provinces, but it is not on the agenda for next week. If an opportunity arises for that kind of discussion I will be glad to take advantage of it.

## BREAD

PROTEST AGAINST PROBABLE PRICE INCREASE

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell the house whether he has received a letter from the Quebec professional bakers' association protesting against a possible increase in the price of bread following Canada's large export of wheat? What does he intend to do in that regard?

[Mr. Douglas.]

[*Text*]

**Right Hon. L. B. Pearson (Prime Minister):** I do not recall having received such a letter, but I will be glad to look into it as soon as I get back to my office.

## TRADE

REQUEST FOR EXTENSION OF PERIOD UNDER EXPORT CREDITS ACT

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** I should like to direct a question to the Minister of Trade and Commerce arising out of what was said earlier this afternoon. I should like to ask him if the government will give consideration to extending the period for which credit is granted under the export credits act, in order to assist Canadian exporters in world markets. I am thinking particularly of possible sales of rolling stock to Israel and other countries which would assist areas such as my own in so far as employment is concerned.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** These requests for credit go before the Export Credits Insurance Corporation regularly and before the government through me from time to time. We do everything possible to grant terms of credit that will enable us to get the business. So far as I am aware we are not losing any business at the moment because of a lack of credit.

[*Later:*]

**Mr. G. L. Chatterton (Esquimalt-Saanich):** I wish to direct a question to the Minister of Trade and Commerce arising out of his reply to the hon. member for Pictou. May I take it that the government, and E.C.I.C., will abandon the policy of not making loans under section 21A of the Export Credits Insurance Act unless the amount is $2 million or more? Will the minister now consider the making of small loans under this legislation so as to encourage exports and manufacturing, particularly in the shipbuilding industry?

**Mr. Sharp:** That is a technical question. I should like to take it as notice and answer it tomorrow.

## AIRPORTS

WINNIPEG—FACILITIES FOR IN TRANSIT PASSENGERS ON INTERNATIONAL FLIGHTS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the unfortunate impression created on some 60 international air line passengers

during their stopover in Winnipeg a few days ago, will the minister endeavour to find a way to enable such in transit passengers in the future to see not just a basement room, but to enjoy the spacious grandeur of the new Winnipeg airport, reflecting as it does the friendly hospitality of the city and people of Winnipeg?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I am sure all hon. members here share the hon. gentleman's view about the friendly hospitality of the people of Winnipeg. I read the newspaper item on which the question is based, and apparently it has to do with what are called holding rooms at the new international airport for certain in transit passengers who are not staying in Canada and who have not been cleared through customs or immigration. Whether the difficulty was due to the fact that the airport had only been opened for three days and arrangements were not completed, or whether it is due to something deeper than that I do not know, but I will immediately have the whole subject matter looked into.

**Hon. Gordon Churchill (Winnipeg South Centre):** May I ask a supplementary question. Will the Minister of Transport take immediate action with regard to this important problem? Having read the newspaper article, surely he could pick up the telephone and discover what is happening. This may result from inadvertence on the part of the management of the airport, but it certainly is not complimentary to Canada to have international travellers dealt with as they were at the airport in Winnipeg just the other day. There will be other international travellers landing within a few days under similar circumstances.

**Mr. McIlraith:** Yes, Mr. Speaker, I will have the matter looked into immediately. As the hon. member knows, coming from Winnipeg, the airport terminal building was just opened last week, and this happened on Friday. I am immediately having the whole subject matter looked into, in all its implications.

**Mr. Churchill:** This is Thursday. I was there Monday, and I knew all about it then.

## HEALTH AND WELFARE

### ADMISSION OF PUBLIC TO CONFERENCE ON SMOKING AND CANCER

On the orders of the day:

**Mr. P. B. Rynard (Simcoe East):** I should like to direct a question to the Minister of National Health and Welfare. Will the minister reconsider her recent refusal to provide adequate accommodation for the conference on tobacco meeting on Monday, particularly cigarettes and their relation to cancer of the lung and other diseases, so that the press and public, including interested members of the house and the Senate, may be able to attend and hear the representations that will be made? I ask this question in view of the intense and widespread interest shown in this serious and urgent medical problem.

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** I will be glad to reconsider it. My hon. friend must realize this meeting takes place at the same time as the dominion-provincial conference. The facilities here on the hill are sharply limited, particularly in respect of the availability of translators and the equipment which we use in order that one may have a bilingual meeting. I have been reconsidering this since several of my colleagues in the house have asked permission to attend.

The concept of the meeting originally was one which would be in camera and which would permit a very free expression of opinion from those who may be interested in the growing and manufacture of tobacco and those interested in the health aspect. While I shall be glad to reconsider, I must advise my hon. friend that I have already given considerable thought to the matter and it is my present belief I would not lightly change the decision.

**Mr. Rynard:** May I ask a supplementary question. It is my opinion and the opinion of this house that a conference that concerns the health of every individual in Canada should not be held in camera. The Canadian Medical Association, when it brought in its report, brought it in publicly with the press in attendance. I say to the minister—

**Mr. Speaker:** Order.

**Mr. Rynard:** —if there is no room here, then let us get a room at the Chateau Laurier.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** May I ask a supplementary question. Is it the intention of the minister to invite the tobacco growers to this meeting?

**Miss LaMarsh:** There has been a press release on this, but I cannot remember the exact title of the organizations. There is one for yellow tobacco from Quebec and there are two tobacco growing organizations from Ontario that have been invited, as well as the cigarette manufacturers. Most of these people have presented written material which has already been distributed.

**Mr. Barry Mather (New Westminster):** I wonder if I interpret the minister's previous statement correctly, that the press will be

excluded from covering this important conference on the smoking situation?

**Miss LaMarsh:** Subject to the agreement of those who will be in attendance, it is proposed that the press will be admitted for the opening 15 minutes. There will be statements issued at the conclusion of the meeting. Those who come to the meeting will be certainly free to say anything they wish to the press following the meetings, but the meetings themselves will be held in camera.

## POST OFFICE DEPARTMENT

### REQUEST FOR STAMP COMMEMORATING FOUNDING OF 4-H CLUBS

On the orders of the day:

**Mr. George Muir (Lisgar):** Mr. Speaker, I should like to address a question to the Minister of Agriculture. In consideration of the fact that this afternoon we have had 185 4-H club members representing 72,000 other 4-H club members present in the galleries, and in view of the fact that the Postmaster General has assured the house that he will reconsider his refusal to have a stamp issued commemorating the birth of the 4-H club movement at Roland, Manitoba, in 1913, would the minister use his influence with his colleague to further this project?

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, I am very interested in the 4-H clubs. There were 14 members from each of the ten provinces in Canada present, and just before orders of the day I think they left the house in disgust and are not here at the moment.

**An hon. Member:** Whom were they disgusted with?

**Mr. Hays:** They did not seem very happy, but I will be glad to take this suggestion under consideration.

## TRANS-CANADA AIR LINES

### MANUFACTURE IN TORONTO OF PARTS FOR DC-9 PLANES

On the orders of the day:

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I have a question for the Minister of Transport. Could the minister confirm that the de Havilland company in Toronto have been manufacturing certain parts of the DC-9 since last July for Air Canada?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, a statement will be made on this whole subject tomorrow, and perhaps I can deal with the question then.

[Mr. Mather.]

### REPRESENTATIONS RESPECTING PURCHASE OF NEW PLANES

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, my question is really related to the one just asked by the previous questioner of the Minister of Transport. I should like to ask the minister whether it is too late for members or other associations, such as trade unions, etc., to make representations regarding the choice of the short range jet for Trans-Canada Air Lines.

**Mr. McIlraith:** Mr. Speaker, such recommendations should be made to Trans-Canada Air Lines.

[*Translation*]

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

Does the minister intend to call an early meeting of the sessional committee on railways, air lines and shipping so that its members may have the opportunity of making representations to the president of T.C.A. before a final decision is taken concerning the purchase of the Caravelle or DC-9 aircraft?

[*Text*]

**Mr. McIlraith:** Mr. Speaker, the calling of a committee is not the responsibility of the minister.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, could I put my question to the Secretary of State?

[*Text*]

**Mr. Speaker:** I must interrupt the hon. member. I believe this question has already been asked, either this week or last week.

**Mr. Pickersgill:** Yesterday.

**Mr. Gregoire:** No answer.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Gerard Girouard (Labelle):** Mr. Speaker, I should like to direct a question to the Minister of Labour. Has he considered providing Trans-Canada Air Lines with statistics as to unemployment in various areas of this country, in case such information could help this corporation choose between the Caravelle and DC-9 aircraft?

[*Text*]

**Some hon. Members:** No answer.

## LABOUR RELATIONS

BOYCOTT OF CANADIAN SHIPS—STATEMENT BY U.S. OFFICIAL

On the orders of the day:

**Hon. Michael Starr (Ontario):** Mr. Speaker, I wish to ask the Secretary of State for External Affairs whether he is now prepared to answer my question of November 13 last, in which I asked for clarification of the discrepancy between the statements made by himself and by Mr. John W. Leslie, the United States deputy assistant secretary of labour.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I thought I had already dealt with this question. I regret if I have not, and apologize to the hon. gentleman. I may say I have examined the situation. I believe in the light of the events of that day my statement does not need to be clarified.

**Mr. Starr:** A supplementary question. Does the minister not think that the opposite viewpoint and the statement made by Mr. Leslie, which was directly the reverse of his own, need clarification?

**Mr. Martin (Essex East):** I am not responsible, of course, for what someone else says. In respect of statements made by someone in the Canadian government and someone in the government of another country, I believe that situation should not be a cause of provocation.

## FINANCE

QUEBEC—REQUEST FOR INVESTIGATION INTO BANKRUPT COMPANY

On the orders of the day:

[*Translation*]

**Mr. Gerard Perron (Beauce):** Mr. Speaker, may I direct a question to the Minister of Justice?

Did the minister receive requests for an investigation from small investors who had invested money in the national holding company which recently declared a $1.2 million bankruptcy involving a complete loss of $800,000 for those small investors?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, the answer is no.

**Mr. Perron:** Mr. Speaker, may I ask a supplementary question?

In view of the fact that the shareholders' protection emergency committee pretended and officially stated that the directors of that company rather than its structure are responsible for the bitter failure affecting thousands of small investors, does the minister intend to hold an investigation?





**Mr. Chevrier:** According to what I heard from the hon. member and what I saw in the press, it seems that this matter comes exclusively under provincial jurisdiction, but in any case, in view of the concern of the hon. member I shall investigate.

[*Text*]

REPORTED STATEMENT ON BUDGET SECRECY BY PRIVY COUNCIL ADVISER

On the orders of the day:

**Mr. Barry Mather (New Westminster):** I wish to direct a question to the Minister of Finance. I wonder if the minister would affirm the correctness of a statement made by Mr. Kenneth Taylor, adviser of the privy council, to the effect that budget secrecy may be further relaxed to permit advance knowledge of budget objectives to be gained?

**Hon. Walter L. Gordon (Minister of Finance):** The hon. member was good enough to send me notice of his question. I believe there is a misunderstanding. I think what Dr. Taylor said was that Canada should not adopt a system which would enable interested persons to profit from information obtained in advance. I may say that Dr. Taylor was kind enough to send me an advance copy of the paper which he read in Vancouver the other day on the whole process of budget making. It is one of the best papers on the subject I have seen, and if any member would like a copy I would be glad to supply it.

## NATIONAL ANTHEM

INQUIRY AS TO RECOMMENDATION OF "O CANADA"

On the orders of the day:

[*Translation*]

**Mr. Pierre-Andre Boutin (Dorchester):** Mr. Speaker, could I direct a question to the Prime Minister?

Is it the intention of the Prime Minister to suggest that "O Canada" be adopted as the national anthem of Canadians, when he introduces his bill to give Canada a truly Canadian national flag?

[*Text*]

**Mr. Speaker:** Surely this is a question for the order paper, although I recognize the importance of it.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, on a point of order.

I believe that we have here all the same an important question which concerns all Canadians and which can easily be asked on orders of the day rather than be put on the order paper, since it entails but a simple answer from the Prime Minister.

For that reason, I submit that this question is absolutely in order.

[*Text*]

**Mr. Speaker:** There were two reasons for making my last suggestion. One was that I could not see the urgency of the question, and questions on orders of the day are at the very least supposed to be urgent. The other point is that this question has already been asked, if I am not mistaken, three or four times this session.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, you are absolutely right. After twenty years of waiting, I believe the answer is not yet urgent.

[*Text*]

## GRAIN

### SUGGESTED EXTENSION OF POWERS OF WHEAT BOARD TO EASTERN PROVINCES

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I should like to address my question to the Minister of Trade and Commerce. Would the minister care to inform the house whether it is the intention of this government to extend the powers of the Canadian wheat board so that it may have jurisdiction over the sale of western grain in the eastern provinces?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, this would, of course, require amending the Canadian Wheat Board Act, and notice of any intention of the government to change the act would be given in the usual way.

**Mr. Langlois:** A supplementary question. Can the minister at least give us a little bit of hope that this might come up next session?

## HOUSING

### REPORTED CURTAILMENT OF DIRECT LOANS TO BUILDERS

On the orders of the day:

[*Translation*]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Could he inform the house of the reasons which prompted Central Mortgage and Housing Corporation to abolish direct loans to builders, whereas it was understood that loans would be granted to them up to December 31, 1963?

[*Text*]

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, in view of the interest of this subject perhaps the house would permit me to make a short statement by way of explanation.

[Mr. Gregoire.]

To encourage a high level of house building activity during the winter months, the government on September 23 authorized Central Mortgage and Housing Corporation to extend its lending program to builders. Previously, direct government loans were available to builders only if they found buyers in advance of building. In September this restriction was temporarily removed.

I am happy to report that the new lending policy has been highly successful. Up to November 15 the corporation received loan applications for 13,147 houses. Nearly 4,000 of these applications were made in the last two weeks. This is not only the largest fortnightly total since the start of this particular program, but it represents the largest volume of direct mortgage lending ever undertaken by the corporation during a comparable period of the year. It creates a loan potential of close to $160 million.

This lending potential ensures the success of the $500 winter incentive program of my colleague the Minister of Labour. It also guarantees a much higher volume of building this winter than ever before in our history. I would be surprised if we went into the new year with less than 90,000 new houses under construction. Indeed, the figure could be higher. By contrast, last year there were 76,000 houses under construction at year end.

These two government programs have provided a tremendous impetus to employment in the building trades and other associated industries. So much so, in fact, that it is now debatable whether the industry is capable of undertaking a larger building program than that already being financed. If more direct loans were made, some builders might find that shortages of skilled labour would prevent them completing their housing in time to qualify for the $500 winter building incentive.

Because of this situation, Central Mortgage and Housing Corporation has instructed its offices not to accept further applications for speculative loans after close of business November 15. I should like to stress this point; builders, of course, can still obtain N.H.A. financing from approved lenders, and they will continue to be eligible for direct loans for houses sold in advance of construction. The corporation will also make loans to home owners. In effect C.M.H.C., having achieved the government's objectives, has simply reverted to the policy which existed prior to September 23.

I think the house will agree that this special winter lending program has been an unqualified success.

**Mr. G. L. Chatterton (Esquimalt-Saanich):** Could the minister indicate to what extent this large increase in the number of applications—an increase which is the result of the policies of the previous government—was caused by the fear of the tax increase to 8 per cent coming up next March?

**Mr. Garland:** I think the statement I have made speaks for itself.

**Mr. Pugh:** So will the 11 per cent tax.

**Mr. K. H. More (Regina City):** I wish to direct a supplementary question to the Minister of National Revenue. Can he give the house a breakdown by provinces of those applications to which he referred?

**Mr. Garland:** No, Mr. Speaker.

**Mr. More:** Will the minister get it?

## INDUSTRY

HEAVY WATER PLANT—REPORTED CALL FOR TENDERS

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** I have a question for the Minister of Industry. Is the minister now in a position to enlarge on his remarks of Tuesday regarding the calling of tenders and the location of a heavy water plant in Canada?

**Hon. C. M. Drury (Minister of Industry):** No, Mr. Speaker.

**Mr. Coates:** How long may we expect to have to wait?

**Mr. Drury:** As soon as possible.

## AIR TRANSPORT

REFUELLING IN CANADA OF AIRCRAFT TO AND FROM CUBA

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** I should like to direct a question to the Minister of Transport. Do Cuban aircraft and aircraft from iron curtain countries en route to and from Cuba still land and refuel at our bases in Canada?

**Hon. G. J. McIlraith (Minister of Transport):** I should like to take the question as notice.

## AGRICULTURE

EARLY APPOINTMENT OF MINISTER FOR EASTERN CANADA

On the orders of the day:

[*Translation*]

**Mr. Henri Latulippe (Compton-Frontenac):** Mr. Speaker, I should like to put a question to the Prime Minister. Could he tell the house whether he still intends to appoint a minister of agriculture for eastern Canada?

[*Text*]

**Mr. Speaker:** This question is at most one for the order paper, if it is in order at all. I believe it has been asked before.

CONGRATULATIONS ON INCOME OF WESTERN FARMERS

On the orders of the day:

**Mr. Walter F. Foy (Lambton West):** Mr. Speaker, I should like to take the opportunity to congratulate the Minister of Agriculture and the Minister of Trade and Commerce for enabling western farmers to enjoy the largest average income they have ever had.

## SUGAR

INQUIRY AS TO NEGOTIATIONS WITH COMMONWEALTH COUNTRIES

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** May I take this opportunity to answer a question directed to the Prime Minister by the hon. member for Burnaby-Coquitlam on the subject of negotiations with the commonwealth countries on the sugar question. I am sorry I was not here yesterday. I was enjoying the warm hospitality of the people of Winnipeg or, more correctly, the people of the city of St. James where, as all hon. members should know, the beautiful new airport building is located.

As indicated to the house on November 12, I have informed both the commonwealth exporters' group and the Rhodesian producers that we would be interested in considering with them any proposals they might wish to lay before us. Since that time we have had further communications not only from the commonwealth exporters but also from South Africa and Cuba, and we are awaiting their proposals.

## UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** I wish to direct a question to the Minister of Labour. Considering the difficulties which are being encountered by the unemployed of our country in their dealings with the unemployment insurance commission at this time, is it the intention of the minister to apply some of the recommendations of the Gill report as soon as it is possible to do so?

*Inquiries of the Ministry*

**Right Hon. L. B. Pearson (Prime Minister):** As my colleague the Minister of Labour is temporarily out of the house, may I say that it is our intention to deal with this report as soon as possible.

## CANADIAN NATIONAL RAILWAYS

PROTESTS RESPECTING CLOSING OF STATIONS IN WEST

On the orders of the day:

**Mr. C. S. Smallwood (Battle River-Camrose):** I have a question for the Minister of Transport. Last Friday I referred to the master agency plan which was being forced upon the residents of the Edmonton area by the Canadian National Railways, and I drew the attention of the minister to the fact that the C.N.R. has closed stations on main lines without obtaining the permission of the board of transport commissioners. I now ask the minister if he has looked into this situation.

**Hon. G. J. McIlraith (Minister of Transport):** Yes, I would be glad to look into this.

**Mr. Smallwood:** I asked if the minister had looked into it.

**Mr. McIlraith:** I am sorry; I did not hear the hon. member clearly. No, I have not looked into it.

**Mr. Smallwood:** Then I want to ask a supplementary question. Because of the inconvenience that the closing of these stations is causing the residents of these areas, and in view of the fact that the C.N.R. has not obtained the permission of the board of transport commissioners, will the minister do this immediately and see that these stations are reopened?

**Mr. McIlraith:** Yes, I will have it looked into tomorrow.

## PRIVILEGES AND ELECTIONS

KNOWLEDGE BY PRIME MINISTER OF MOTION REPLACING MEMBERS

On the orders of the day:

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, my question is for the Prime Minister, and it relates to the motion this afternoon replacing two Liberal members on the committee on privileges and elections. Was this motion made with his knowledge and consent?

**Right Hon. L. B. Pearson (Prime Minister):** This motion was made in the usual way, Mr. Speaker, and the question gives me the opportunity of denying the statement made by the Leader of the Opposition that there was any intervention of the government in any way, shape or form in the action taken by the Liberal members on this committee.

**Mr. Aiken:** May I ask a supplementary question, Mr. Speaker. To the knowledge of the Prime Minister was there anything which brought about the replacement of the two members on the committee?

**Mr. Speaker:** Order, please. That question is definitely out of order.

## BUSINESS OF THE HOUSE

CONSIDERATION OF AMENDMENTS TO HOUSING ACT

On the orders of the day:

[*Translation*]

**Mr. L. P. Antoine Belanger (Charlevoix):** I should like to direct my question to the Minister of National Revenue in whose name resolution No. 14 appears. Does the minister intend to introduce his legislation before the Christmas recess?

[*Text*]

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, I regret that I did not hear the question.

[*Translation*]

**Mr. Belanger:** I would like to know whether the Minister of National Revenue intends to introduce resolution No. 14 before the Christmas recess?

[*Text*]

**Mr. Garland:** I can only refer the hon. gentleman to what the Prime Minister said in regard to this matter in the light of the over-all progress.

## ADMIRALTY ACT

AMENDMENTS RESPECTING SALARIES OF JUDGE AND REGISTRAR

**Hon. Lionel Chevrier (Minister of Justice)** moved the third reading of Bill No. C-108, to amend the Admiralty Act.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I should like to supplement the answer I gave the hon. member for Parry Sound-Muskoka in committee on the bill yesterday. The answer I gave may be found at page 4985 of English *Hansard*. I pointed out to the hon. member that the immediate purpose of the amendment was to provide for the situation in the province of Ontario. As I pointed out earlier, in Ontario we have the only surrogate judge under the Admiralty Act, and it was the situation in the province of Ontario that provided the immediate stimulation for this amendment.

I should also like to deal with another question which the hon. member asked at that time. He raised the question whether the amendment would have general application. I have drawn his question to the attention of the law officers of the crown, and they have advised me that their interpretation of Bill No. C-108 is that it is the intention of the bill and of the resolution which preceded it to cover not only the situation in the province of Ontario but to cover as well each of the other admiralty districts in which it may be desired to make the arrangement. In particular, in advising me of their opinion the law officers of the crown made reference to section 31(1)(j) of the Interpretation Act, and pointed out that in a proper case a singular word may import a plural meaning. They indicated that in their opinion that was so in this case.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** Mr. Speaker, the parliamentary secretary was good enough to advise me this morning of the statement he has just made, and I am very glad this matter has been cleared up so there will be no misunderstanding on the record. I think this does point up the advisability of holding over for third reading any bill which had gone through all other stages on the same day.

Motion agreed to and bill read the third time and passed.

## NATIONAL CENTENNIAL ACT

AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

**Hon. Maurice Lamontagne (for the Prime Minister)** moved the second reading of Bill No. C-107, to amend the National Centennial Act.

**Mr. Terry Nugent (Edmonton-Strathcona):** Mr. Speaker, I do not intend to take very much time of the house on this measure, but I do think it provides an opportunity to say a few words that in my opinion have become necessary because of what I consider to be the rather narrow attitude taken toward the bill and perhaps toward confederation in general. Certainly the co-operation of the provinces is going to be essential in planning the centennial celebration. I think what should be borne in mind by the commission is the fact that the consideration should be stressed that Canada is made up of an amalgamation or working union of provinces rather than a single unit such as Great Britain.

I am not one of those who becomes alarmed when we have differences of opinion as to how Canada should be reflected or what is Canada's national image, etc. I only become alarmed when I find such violent opinions being held by some who apparently feel that no other view but their own should prevail. I certainly hope that by Canada's centenary our present flurry of excitement over where we are going, the possibilities of separatism, etc., will have been smoothed out or at least minimized to such an extent that these problems will be put in proportion.

In my section of the country the city of Edmonton is a very cosmopolitan area. We have a good percentage of German, Ukrainian and Polish nationals. I happen to have one area of French speaking people. I assure the house that in so far as the background of these people is concerned and the question of what is a Canadian, we do not appear to have the problems that sometimes seem to rise in the house as to what is a Canadian. Frankly I am totally unable to understand the almost rabid excitement sometimes shown by members on the far left and their sensitivity about the problems of Quebec.

Certainly it would be a very bad thing if we were to lose the advantages of the cultural background and heritage of the French speaking people, but I can assure the house that the French speaking people of my area have been very successful in preserving their language, their culture and their religion. In their own community and in their own homes French is the first language spoken. They are able to have teaching in French. We are now establishing a college, I believe, to train French speaking teachers. Numerically these people are very much inferior to the English speaking people, but I do think it is worthy of note that the mere fact they are so small in numbers and so completely surrounded by people who find it necessary or expedient or advantageous to speak English first has not caused them to lose any of their own language.

**Mr. Lamontagne:** Mr. Speaker, on a point of order, I do not want to interrupt the hon. member but it seems to me what he is saying now has no connection whatsoever with the bill we are considering at this stage.

**Mr. Nugent:** I think I will be able to satisfy the minister by my next few remarks relating more directly to the bill. I note the increase in the number of representatives on the commission, and the bill contains reference to the number of members to be appointed from each of the provinces. I can also satisfy him by explaining to the house the situation in my province; what the state of Canada is, shall I say, in that area where there are people of different backgrounds. We are going to get a lot of benefit from the persons who are appointed from these various areas.

As I understand it, the province of Alberta is to appoint two members. Each province will

be appointing two, and of course the federal government is going to appoint twice as many. I trust its appointments will be made from across Canada, so that in the planning of the celebration of our centennial we will have a fair representation from the province of Alberta which will be able to bring to the deliberations of the committee experience of how things are there, and will adequately reflect the picture of Canada today, how confederation is working and how people of various cultural and ethnic backgrounds are getting along together.

As I understand it, one of the ways in which we can celebrate our centenary is to give a picture of Canada, to allow all Canadians to know and appreciate the state of the country, and where we are in so many ways, not just economically but culturally as well. I think when this commission starts to sit, bringing people together who are experienced in such matters, these problems which may beset one part, or which may be taken much too rabidly by one part of the country, can be brought into in proportion, so it will be seen that they are not really as serious as they are notorious.

I am sure the commission in its deliberations will have considerable pressure put on it, stressing that there must be some more solid symbol, something a Canadian can point to and say "This is a Canadian", as they can with the Americans. They have a definite type of nationalism. It is a melting pot type of country with a melting pot type atmosphere, and they conform to a norm which is very identifiable. I suggest what we are really proud of in Canada, why we are different from the Americans—and I personally am very happy we are—is that we are not and do not pretend to be a melting pot. Canada is made up of people of different backgrounds, people who treasure different types of heritages, people who want to live in different ways, and who treasure most of all that ability to live the way they want, the prime restriction being only that they respect their neighbour's right to live differently should he so wish. This is a point overlooked and sometimes not appreciated enough by Canadians.

The essence of democracy is supposed to be the freedom of the individual. I suggest that Canadian democracy, Canadian confederation, and the fact we do not have that melting pot, really give the ordinary Canadian more freedom than his counterpart in the United States, because he does not have the pressures of conformity to anywhere like the same extent.

Another matter I would like to mention deals with paying special attention to the province of Quebec. I do not pretend to be an expert on that province or its problems, but I have had the pleasure of visiting there, and I must say I was very encouraged, from gaining a little knowledge of the residents of Quebec, to find them more like western Canadians than I had imagined they could be. Other than the language barrier I could imagine myself at home, and most certainly at home in the part of my riding where the people speak French.

I think certain groups in this house from Quebec pay too much attention to the imagined slights that some people feel. There is always a tendency for some people to point the finger, to take advantage of any worry of one group, to turn it to political advantage and say "I will champion this cause or that cause for you." Certainly sometimes the feeling in Quebec that they are not putting a strong enough hand on the top of industry, on the top of the civil service, and that they do not own enough of the industries their people are employed in, has a very familiar ring. We do not hear it now so much in the west as we used to; but during the tough times in the thirties—and I am referring to all the thirties and even into the forties—when times were a little tough and it was hard to get a job, we found exactly that sort of feeling and expression on the prairies; "They control us; they have got all the money and all the big jobs."

Usually the prairies were looking with suspicion on Bay street, or else on United States control and interests. Whenever you have tough times you want to blame somebody. In the west we used to blame Toronto and American capitalists from the eastern states. The pattern is not much different, and I can readily imagine with the same complaints in Quebec that the direction of complaint would have been toward Toronto and toward American capital, and there would not have been any left as between eastern Canada and western Canada, English speaking Canadians and French speaking Canadians, were it not advantageous for some to say "Since those complaints are there let us point the finger at the real culprits, those English speaking people who want to swallow us up. We will champion the French people and get some political advantage out of it."

That has been responsible for much of the fuss. It is responsible for the attitude taken by some hon. members of the house, which I think has expressed itself in almost ridiculous form in the extent to which they have gone to protect their pride or tender feelings, and to show how well they are championing these causes.

[*Translation*]

**Mr. Gerard Perron (Beauce):** Mr. Speaker, I rise on a point of order. I think the President of the Privy Council pointed out a while ago that it was not permitted at this stage of the study of the bill to embark on a digression or even to speak along the lines taken now by the hon. member for Edmonton-Strathcona (Mr. Nugent). In my opinion, if such digressions were permitted, we should be allowed to answer certain allusions.

[*Text*]

**Mr. Deputy Speaker:** The hon. member is quite right, and I am sure the hon. member who has the floor realizes that what we are now discussing is an amending bill. We should consider the principle of the amending bill, and not the principle of the bill being amended. I am sure he will take this into account in the course of his remarks.

**Mr. Nugent:** I regret that the way in which I have put my remarks may have made it seem to the hon. member that this was not exactly pertinent. The point I made earlier is that the expansion of the number of members makes it possible to get a different and broader viewpoint of the confederation of Canada as it is. What I was trying to stress here was the point that there are not those real troubles that sometimes appear from the surface; that a basic understanding of the nature of the complaints, heard not only from Quebec but from time to time through various parts of the country, can be put in proper perspective when the members of this commission are properly chosen, when there is an expansion in the number of members, and that a careful choice from the provinces will give a much better chance to see that this is what is done.

I cannot understand the justification for increasing the number of members of a commission from any other point of view. I see the President of the Privy Council shaking his head, indicating that what I am saying is wrong. However, if he is going to expand the number of commissioners he must be going to add something to the commission other than political appointees. If the minister wants to ask me a question I shall be glad to entertain it.

**Mr. Lamontagne:** Mr. Speaker, could I ask the hon. member a question? I am under the impression that the hon. member is confusing two quite different agencies, namely the national centennial administration, about which we are now talking, and the national conference on the centennial, which was set up last October. Am I not correct in my impression?



**Mr. Nugent:** Mr. Speaker, I was of course referring to both bodies in the nature of the problem facing them and the need for understanding by each. But I thought the minister was objecting to my remarks about the expansion of the commission itself. I can only hope that the reason for expanding the administration is to give it a broader base and not just for political representation. That is the only point I wish to make.

I said at the outset that I was going to be very brief, but I did want to point out that the number of people on this advisory committee, drawn from across the provinces should be fully representative; and even though only two are appointed by each of the provinces I hope the other 40 will be in proportion from all the provinces so we will get a balanced picture. I also hope the points I have made may be of some use in understanding that while sometimes certain groups in this house are very vocal and very loud and sometimes, I think, rather silly, the problem looked at in proportion is not that serious; it does not accurately reflect Canada's real troubles; and perhaps we will teach them to speak with more moderation by 1967, as more understanding develops across the country.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, the house has spent the best part of two days on this piece of legislation. Therefore we do not feel it is necessary to have an extended debate today. My remarks at this second reading stage will therefore be very brief.

I should like at the outset to refer in just a word or two to the small amendment the house accepted yesterday when we were at the resolution stage. I refer to my amendment which inserted the word "Canadian" in the short title. To make a one word amendment does not seem very much, but I dare to hope that what happened yesterday is a symptom of what we can do when we celebrate our centennial. We were apparently badly divided in the house up to a point yesterday. There were those who felt that the word "national" should be taken out of the short title; there were others who did not like the idea of the word "national" being deleted. But when it was suggested that the word "Canadian" be put in, without any debate this was accepted unanimously.

I dare to hope this suggests there are things that unite us in this country. I dare to hope that this gives promise that the celebration of the centennial itself will not have the effect of dividing us, as has sometimes appeared to be the case from the kind of discussions that have taken place, but rather that the celebration of the centennial will be an event

that will unite us in this country and launch us into a second century that will be even greater than the first century since our confederation in 1867.

I do not think it was out of place to have the kind of discussion that we had during the last two days. It is good for people to get things off their chest. Indeed, I think the relative calm that has settled over the chamber today suggests that this purpose has been served and I hope this piece of legislation will now have the endorsation of the house, and that we will thus be in a position to ask the commission and those responsible for planning the centennial celebration to get on with the job.

It had been my intention earlier to ask the President of the Privy Council at some stage in connection with this legislation to give us a report on the projects lined up or being undertaken. But I will be satisfied if he will give us the commitment that he will make such a report in some detail on the estimates that relate to this matter. Surely bringing those estimates before the house cannot be long delayed. I do think we are entitled to have a report on what has happened up to the present time and what is being done.

As I said a couple of days ago when I spoke in the debate at the resolution stage, I am concerned, and I think many Canadians are concerned, at the precious time that has been lost. I hope it will not be possible for a writer like I. Norman Smith, in 1968, to say of our centennial that we made a botch of it, as he said Ottawa did of its 100th birthday. This depends upon all of us. It depends not just on the commission, not just on the government, but on all of us in this house and the people of Canada generally. I believe we would like to have a worthwhile celebration. Let us get on with the job in the three years or so that remain between now and then.

I see the Minister of National Health and Welfare in her place, as well as the President of the Privy Council. I would like to make just one more concrete, practical suggestion as to a way in which I think we could effectively celebrate the 100th birthday of this nation in a manner in which it would be long remembered. If the Minister of National Health and Welfare could have something to do with this, she too would be long remembered. What about planning now to increase old age security by stages of $5 a month; once in 1964, twice in 1965 and twice in 1966. Thus on entering 1967, our 100th year of confederation, the basic old age security payment would be $100 a month.

One hundred dollars a month, in the 100th year of confederation, would be a monument much better than any monument of stone; it would speak much louder than speeches; it would last much longer than fireworks. I suggest this as a very practical proposal and something that might well be planned with a view to making our 100th anniversary one really to be remembered.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, I have not had an opportunity to participate in this debate heretofore, and I do not now intend to prolong it; but there are a few things I would like to say in relation to the bill before us.

Changing the short title of a bill is something of importance, not because the short title means very much in itself but because the addition or deletion of words can be construed as a change of policy or attitude on a subject which means a great deal to us and which I trust will continue to mean more, because it is so vitally concerned with the continuation of our nation, Canada.

The change that relates to the increase in the number of commissioners is good if it means a wider representation across Canada and a greater degree of participation by Canadians as we approach the centennial through these preparations.

Now, the basic change, the elimination of the word "national" and the substitution of the words "of Canadian confederation", which includes the amendment made yesterday, is what I regard as the most important and significant part of this bill. I personally wish to go on record as favouring this change. I do so for two basic reasons which I should like to state. The first is the obvious one that it makes the short title of the bill conform to its existing long title, "An act respecting the observance of the centennial of confederation in Canada." Therefore the amendment which was added yesterday follows along this line of thought.

The second reason is the fact that the use of the word "national" in the short title prior to this amendment leads to confusion and misunderstanding in the French translation. I do not contend I am a master of the French language. Certainly, however, I regard the meaning that is brought out in the French translation of the title, "le centenaire de la nation" as something completely different from the meaning given by the English title. A lot of this confusion could have been avoided if there had been more care used in the translation of the title of the original bill. As I understand the meaning of the word "nation" in French, it conveys shades of meaning that are certainly not conveyed by the English word at all. I believe this is one of the reasons so much time has been consumed in the house; that is, simply that a French speaking person who reads the

title gets a completely different meaning from the English speaking person who reads the title.

At the same time I should like to place firmly on the record, particularly for the benefit of our friends whose mother tongue is French, that in the English sense of the word Canada did become a nation by the process of confederation. This process was an event of historic importance and significance, well worthy of the commemoration celebrations we are now planning for 1967. The year 1867 marks the time a number of independently governed British colonies on the North American continent were constituted into a new nation to be known as Canada. At the same time the old province of Canada was divided into the present province of Quebec and Ontario. This was the time the effective government of Canada was transferred from London, England to Ottawa, to a federal parliament elected by Canadians. This, then, becomes the birthday of our country, Canada, using the English meaning of the word "nation", as a politically autonomous group of people inhabiting a recognized territory and bound together by common bonds of allegiance, citizenship and governmental organization. This is the meaning that is carried to English speaking people who fully understand the meaning of those words.

I cannot help the feeling that many of my friends in the province of Quebec do not recognize the importance of this constitutional step which was taken in 1867, nearly 100 years ago. It seems to me that an impression still remains, often enough fostered by politicians who should know better, that the federal government is not their government, and that it is not in any way essentially different from the colonial government which existed prior to 1867.

It is remarkable that this attitude should persist, when in fact Quebec province has provided Canada with two of its most capable and respected prime ministers, namely Sir Wilfrid Laurier and Louis St. Laurent. Under their leadership Canada passed one quarter of its almost a century of political life. I am thinking now of the country of Canada. Quebec also has been traditionally the backbone of the Liberal party, which has spent more years in office than any other Canadian political party since 1867. If any province has had a chance to say what it wanted by way of federal government policy in the past 100 years, that province has been Quebec.

I am supporting the change of name proposed here because I believe the change is necessary to avoid any undue misunderstanding on the part of Canadians who come from Quebec. All the same, I would appeal to those who are of French Canadian background to endeavour to understand precisely what the word "nation" means in the English language. Probably we are talking about the same thing, and we are far closer to mutual understanding than technical interpretation and meanings of words would apparently convey. If one talks in English about a national centennial, one is not denying that French Canadian culture existed before 1867. When one talks in English about Canada as one nation, certainly one is not denying the existence of a French Canadian language nor its right to continue its important place in Canadian culture. Personally I wish every French Canadian inhabitant in Canada to have the fullest chance to preserve and develop their culture. Confederation, united under a common form of government, brought together men and women of different cultures who wanted to become citizens of the new and great Canadian nation. It has, of course, attracted many others who have since come to live here, who are neither French nor English but who also wanted to live under this government of Canada.

It is this founding agreement which made Canada an independent and which has led to sovereign political entity that we propose to commemorate in the year 1967. I hope that those who live in the province of Quebec will realize that this is something entirely different from the original discovery, settlement and development of our land, whether by our French or English pioneers. It is an event that we should celebrate because this is what we look forward to as a nation.

It is my hope that all Canadians will stop long enough to consider the intention of the original fathers of confederation when they brought confederation into being nearly 100 years ago. This was to make Canada a new, autonomous country which later became part of the commonwealth, but still a nation to have its own citizenship and its own government. Let us make sure that not only do we celebrate the centennial but that we have a Canada in which to celebrate it. Let us stand together to make sure that this original purpose of the fathers of confederation is continued and strengthened. Surely if the changing of a word or two in the title of this act helps us to understand the real purpose which we should be looking for today, then we should all be for it.

[*Translation*]

**Mr. Auguste Choquette (Lotbiniere):** Mr. Speaker, I have but a few very brief comments to make on the bill now before the house.

There was quite a bit of discussion yesterday, at the resolution stage, and we heard some very pleasant observations, especially from the hon. member for Lapointe (Mr.

Gregoire), to whom I am glad to pay this tribute, because his rejoinders were most appropriate at times.

I feel it would also be quite in order for me to congratulate the President of the Privy Council (Mr. Lamontagne) for his very clear and most objective statement.

Mr. Speaker, the main features of the measure we are discussing concern the changing of the short title of the act from "the National Centennial Act" to "the Centennial of Confederation Act".

The bill aims also at granting extended power to the centennial commission and increasing from 8 to 12 the number of directors, if it is passed, needless to say.

That proposal is meant obviously to promote administrative efficiency within the centennial commission, which will be able to make expenditures up to $25,000 without getting beforehand the authorization of the governor in council. The commission will also be able to acquire property up to the said amount, without having to obtain the authorization of the governor in council, which is surely one more step towards administrative efficiency.

But the most important change, in my opinion, is the new name that is proposed. Instead of celebrating the centennial of the nation, we are going to celebrate the centennial of confederation. Of course that implies rather different circumstances, because we are ready to celebrate the Canadian nation at any time, but to celebrate the centennial of confederation, that is not exactly the same thing.

As a matter of fact, if we refer to the words of the former government member for Roberval, perhaps we can understand why those who drafted the present act preferred the name "centenary of the nation", because, if my memory is good, the former member for Roberval used to say that confederation was a dupe's bargain. Of course he was giving his personal opinion, and perhaps this explains why it would be preferred not to celebrate the centennial of confederation, but rather the centennial of the nation.

Mr. Speaker, if I may give a personal opinion, I would say that in order to celebrate the centennial of an event, that event must reflect something happy which was beneficial to the two great races of the country.

Well, if we want to celebrate confederation, it must be recognized that it brought about some benefits, otherwise there would be no reason for such a celebration. And here I would like to refer to the remarks made yesterday by the hon. member for Grey-Bruce (Mr. Winkler), who claimed that the statement I made two weeks ago at the young Liberals' convention was prejudicial, because it was not likely to lead to unity.

Mr. Speaker, I am justified to say, I think, that I do not see how my remarks might be prejudicial to national unity.

I simply expressed the wish that by 1967 Canada would have her complete national sovereignty, because I am convinced—this also may be a very personal opinion—that at the present time the great majority of public opinion is ready to Canadianize Canada in all her aspects and symbols.

We want to be Canadians, Mr. Speaker, and I resent at times too many references to French and English Canadians. I am proud of being a Canadian and also a French-speaking Canadian, and I believe that the best way to unite the two great races which make up our country and to bring them closer together, is to create a truly Canadian ideal.

When a great parliamentarian stated in 1848: "We have government responsibility", there was cause to rejoice because it meant breaking with the bonds of colonialism.

When in 1931, the Statute of Westminster recognized Canada's independence, there was cause to rejoice, because it meant breaking with all bonds of colonialism.

In 1963, four years before the centennial celebrations, it is advisable, in my opinion, to see to it that every symbol of bondage and subservience is removed.

Canada is an economic power; it has the right to transact business freely with other countries. It declared war in 1939—which is a sign of total independence—and since 1945, it has its own representative at the United Nations. Why should it still be subject to bonds of colonialism?

Here is the nonsensical situation in which Canada finds itself in 1963: without a flag, without a national anthem, unable to amend its own constitution in some cases and a foreign sovereign is the symbol of its supreme authority.

Mr. Speaker, in conclusion, I trust that for 1967, we shall have all the symbols of absolute sovereignty in Canada in order that we may be true Canadians in this our great country of which I am proud.

**Mr. Gerard Perron (Beauce):** Mr. Speaker, I wish, in the first place, to congratulate the hon. member for Lotbiniere (Mr. Choquette) who has recalled some fine feats of arms and certain past periods, from colonial days to a sovereign and responsible government.

In connection with this Bill C-107, I also wish to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for the short amendment which he moved last evening. In my opinion, there is some truth in this brief amendment.

We are all Canadians of goodwill, and regardless of our racial origin, we hope that the confederation centennial will really be something to rejoice about for the various elements throughout the country.

I note that the amendment introduced provides that the number of directors of this centennial commission is to be increased from 8 to 12.

Considering the nature of the speeches which we have heard during these past few days, it is essential that we should bear in mind that our Canadian people is made up of French Canadians, English Canadians and new Canadians.

I trust—I hope that I am right in this—that these appointments will not be purely political appointments but will really take into account the real splendour and magnificence which should characterize the celebration of the confederation centennial. I suggest that the number of directors increased from 8 to 12, should effectively represent our various ethnic groups, that is four French-Canadian, four English-Canadian and also four new-Canadian representatives. I think that the beauty of flowers lies in the variety of colours and we should not forget that almost a third of our people—at least five million out of the 18 million inhabitants of Canada—brought us their own native culture, which we are sometimes glad to see in their patriotic celebrations within their own groups.

I think we might multiply the colourful diversity of those who will take part in celebrating the centennial of the Canadian confederation, and that is why I believe that it is time to try the experiment by introducing the other ethnical groups in that commission. Thus, everybody would take part in the celebration of the confederation centennial as a flourishing nation with great hopes for the future, which wants to progress in that direction.

I shall quote clause 17 of Bill C-107 which says:

> There shall be a national conference on the centennial of confederation consisting of the minister and not more than sixty members, each of whom shall be appointed by the minister, including at least two members from each of the ten provinces who shall be appointed by the minister on the recommendation of the governments of each of the provinces.

**Mr. Lamontagne:** Mr. Speaker, I think that the hon. member for Beauce (Mr. Perron) is a little bit confused, as was another hon. member a little while ago. The centennial conference, with 60 members, has already been formed; the names of those members were announced early in October. This bill does not in any way propose to increase the representation on that conference.

**Mr. Perron:** Mr. Speaker, I was not alluding to the increase of the membership, but I wanted simply to suggest that the ten provinces be also considered when proceeding with appointments to this national conference.

**Mr. Speaker:** I must tell the hon. member that he is getting away from the bill before us when he speaks of appointments, as he did just now.

**Mr. Perron:** Thank you, Mr. Speaker, I apologize for having probably been absent when the house was informed of those appointments having been made.

Yet, at the same time as the increase in the number of commissioners from 8 to 12, I think we should not only prepare the adoption of a national flag but also of a national anthem. I think the idea should be considered so that the celebration of the centennial of the Canadian confederation would really be a great day for all Canadians.

[*Text*]

**Mr. Joseph Macaluso (Hamilton West):** I shall take only a few moments. I did not intend to enter into this debate. However, I was somewhat shocked at certain aspects of the discussion which has taken place in the last two days on such a simple amendment as is now proposed. I was certainly taken aback when the Leader of the Opposition (Mr. Diefenbaker), ranging far and wide, opened this debate in such a critical vein and allowed it to take the course it has taken.

I have looked at some of the words used by the right hon. gentleman. He stated, among other things, as will be found reported at page 4916 of *Hansard* for November 19:

> The word "dominion" has disappeared. During the days of Mr. St. Laurent it became an ugly word and was removed even from the telephone books. Now the word "national" is to be removed. I cannot understand the need for that change. This is a national undertaking. It is said it is objected to by the premier of Quebec.

Later on, he stated:

> Why remove a word which refers to all of the people of this nation, not only the two founding races but all the races of our country?

Others of the right hon. gentleman's party spoke in the same vein, including the hon. member for Marquette (Mr. Mandziuk), the hon. member for Qu'Appelle (Mr. Hamilton) and others. However, it is interesting to note that in the same debate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) stated as reported on page 4937 of *Hansard* for the same day:

> I was also pleased to note that other amendments had been made, because without Quebec's contribution to the centennial celebrations it would have been impossible to take advantage of this bill and to vote the amounts of money in co-operation with the provinces. It is indeed the centennial of confederation and not of Canada which we are

going to celebrate, since Canada existed long before 1867.

He went on to say—and this surprised me:

I also remember that at the last Conservative convention, for instance, a resolution was moved to change the constitution so that the word "dominion" be deleted. It was put to a vote and a majority of delegates voted to have the word "dominion" suppressed.

These words give a somewhat different impression to that given by the hon. member's leader. The hon. member for Marquette made what I consider to be a fine speech, a fine contribution. He, too, ranged far and wide. I find I must agree with many of the things he said. As reported on page 4942, he stated:

Other peoples came into this country after 1867.... They came here, not as hewers of wood or drawers of water. They felt they were coming in as equals, as partners in the building of this nation and they so feel today.

With that, Mr. Speaker, I agree. Then the hon. member went on to say:

These people who came were prepared to make maximum contributions to the development of one over-all Canadian culture. They are making those contributions today to a national culture embracing the best of all cultures.

These are not words with which one can argue. I agree with them. He went on to say:

These people pray, and I believe I have a right to ask on their behalf, that they be not left behind in celebrating the 100th anniversary of this great nation of ours. They wish to celebrate. They wish to take stock of what they have achieved and what they have contributed to this nation. They hope that the two founding races appreciate their contributions and they are not asking for anything else....They ask for the privilege of full participation....I am proud of my racial origin and I am proud of being a Canadian.

Like many other members of this house, I, too, am a Canadian who descends from an ancestry which is other than French or English. I am proud of my Italian ancestry, just as the hon. member for Marquette is proud of his Ukrainian ancestry. But, Mr. Speaker, when he implies in his speech that people who have come to this country from the European nations may be looked upon as second class citizens because of an amendment to this act, then I say he is not speaking with sincerity but is speaking strictly for purposes of public propaganda. I take objection to his remarks when he says, as found on page 4943 of *Hansard*:

If we are a nation, this is a national celebration and the purposes of this act would remain the same if it were called the National Centennial Act.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) does not agree with that. We have not heard from the hon. member for Three Rivers (Mr. Balcer) or the hon. member for St. Mary (Mr. Valade). I am wondering what they are thinking. But this is not important. We all know that the right hon. gentlemen at one time in the history of the country tried—

**Mr. Valade:** On a point of order, Mr. Speaker, I am very delighted to hear the hon. member but I think he is completely out of order. He has been reading from speeches by different members of the house and saying, "I agree with this" or "I do not agree with that". We would like him to tell us his own opinion and come back to the main purport of the bill. I do not mind hearing his comments but I should like him not to read the speeches of others. I hope he can make a speech of his own.

**Mr. Macaluso:** On the point of order, Mr. Speaker, this just shows that the hon. member does not know whereof he speaks. I am quoting from certain speeches made by members of his party, and if they were in order when they made them I am in order when I quote from them to show how inconsistent they are.

**Mr. Pigeon:** We are on second reading.

**Mr. Macaluso:** I still intend to quote certain remarks made by members of the party to which the hon. gentleman belongs. With regard to the changing of the short title of National Centennial Act, at first I wondered why it should be changed. But I was not aware then that the premier of the province of Quebec had written to the Leader of the Opposition when he was prime minister setting out the reasons why he recommended this change. I was not aware until it was explained by the President of the Privy Council in the house why Canadians of French origin object strenuously to the wording of the short title. This only goes to bear out what I have always considered and still consider to be a lack of interest on the part of the right hon. gentleman in many things with regard to which he states that he was or is the great defender. We would not have wasted three days in the house—

**Mr. Churchill:** What are you doing?

**Mr. Macaluso:** —if the plea of the premier of the province of Quebec had been listened to at that time and if a proper translation had been made at that time. I am quite concerned about the people who have come to this country from the European nations. As the hon. member for Marquette (Mr. Mandziuk) stated, they came to this country to be Canadians, they are Canadians and, as I said the other night during the speech of the hon. member for Lapointe (Mr. Gregoire), they are making a contribution.

But I would say that each and every one of us has a responsibility to see that the

celebration of the centennial of confederation in 1967 is a most happy occasion. I do not mean happy only in the sense that we should be able to go out and have fun socially at the events that will be going on, but that we should be happy with regard to the 100th anniversary of the founding of this nation which was brought about by the joining together of Lower Canada, Upper Canada and the maritime provinces at the conferences in Charlottetown and Quebec city resulting in confederation in 1867. I know that in 1967 all Canadians, no matter what their origin, will take part in the celebration feeling that they are Canadians and none of them, as the hon. member for Marquette seemed to imply, will enter into the celebrations as second class citizens just because the name of this act has been changed. I understand that the hon. member for Winnipeg South Centre (Mr. Churchill) also wants to speak so I will now conclude.

**Mr. Churchill:** Thanks for giving me two minutes.

**Mr. MacNaught:** Mr. Speaker, I believe it would meet with the approval of the house if the time devoted to private members' business this day were to extend only from 5.20 to six o'clock so that we may finish this bill, because it is urgent that it be disposed of today. The President of the Privy Council cannot be here next week, and I think it would meet with the approval of all hon. members if we continued a little longer and tried to dispose of the bill.

**Mr. Knowles:** We agree that we try.

**Mr. Churchill:** We agree that we try; but it is pretty shocking procedure that two members on the government side should occupy the time of the house in the last 40 minutes making speeches which were inflammatory, to say the least, and that we should then be asked to agree to a limitation of debate. Another 20 minutes might not suffice to answer these hon. gentlemen.

[*Translation*]

**Mr. Gregoire:** We agree, Mr. Speaker.

[*Text*]

**Mr. Deputy Speaker:** Is the house ready for the question? First of all, is it agreed that we will proceed as suggested by the minister?

**Some hon. Members:** Agreed.

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I do not intend to delay the passing of this measure. If the hon. member who has just resumed his seat had confined his remarks to the principle of the bill now before us, I feel I might have had an extra 15 minutes, and that, without impeding the work of this house.

We are studying an amendment to legislation enacted by the former government. The purpose of this amendment is to change the title of a federal agency which is entrusted with a public celebration and with throwing into light, at the occasion of the centennial of confederation, those historical facts which have surrounded the birth and the expansion of this country of ours, Canada.

Mr. Speaker, it seems to me that we wasted a lot of time in finding a formula to change the title of that act. It would have been so much more simple to call the bill the "Canada centennial act", and in French "Loi du centenaire du Canada". That title would have been quite simple and would certainly have expressed the proposed objective. This makes us wonder whether the real aim of the bill is not to play at politics rather than to safeguard a principle, as the government would have us believe.

When we examine the main amendments concealed behind this change of title, we find various clauses which not only make us suspect the reasons given by the President of the Privy Council, but tend to depreciate the aim of the legislation introduced by the former government.

Indeed, there is not a single paragraph in the amendment of the former act which does not imply some sort of political patronage. The present legislation being so important, it is unfortunate that the government did not consider the grounds for introducing this legislation more seriously and should rather under the pretence of changing the title, have opened the door to a patronage which seems so much to its liking.

If we read paragraph 3 of Bill C-107, we find that, instead of maintaining the status of the general commissioner in charge, he has been given an associate commissioner, which results in a sharing of authority and the splitting of the administrative structure of that organization, a fact which might very well make it helpless or at least ineffective.

I wonder why the minister saw fit to appoint an associate commissioner to such an organization. If it was not for political reasons, I would like very much to know the real reasons which prompted him to make this change in the legislation.

If we examine the legislation a little further, we find in subsection 5 that the commission may undertake a program or distribute donations for any amount not exceeding $25,000. Here again, this amendment is quite close to the new spirit that seems to

prevail since the Liberal party came into power in the province of Quebec, in that every means is used to evade the law in order to protect the supporters of the regime, in spite of the fact that the present government blamed the previous administration in the province of Quebec for having dispensed patronage.

In my opinion, the danger entailed by those amendments intended to emphasize the advantages of confederation, is that they open a door to patronage. It seems to me that the minister could have been much more cautious and stood clear of crypto-separatism, which he has so often exposed by removing such an amendment from this legislation.

I should not want either to leave unchallenged the statements made by the minister in the last few weeks about the respect of confederation, but I wonder why he has made this change in the act in order to increase the membership of the commission from 8 to 12.

Obviously, it is not to give a job to a few unemployed.

**Mr. Lamontagne:** It is to provide representation for all provinces.

**Mr. Valade:** This is the reason given, to provide representation for all provinces, but the same excuse was given when at the beginning of the session, the Atlantic Development Board Act was amended. The same excuse was given when the present government proposed to amend the Canadian World Fair Act. The other day, the Prime Minister gave the assurance that he would consider amending the Canadian World Fair Act to increase the number of directors. Probably once again this is to open the door to patronage.

In all the measures introduced by the government, the basic principles are altered by amendments opening the door to patronage. This bill should be free of all political influence and all the measures introduced by this government should be safe from such political influence.

**Mr. Lamontagne:** Would the hon. member allow me a question? Does the hon. member agree that we should try to appoint representatives from all provinces within the centennial commission?

**Mr. Valade:** I agree completely with the minister about representation of the provinces within that commission, but, in my opinion, there are several ways to achieve this. And I think the minister must realize there are other ways to solve the problem.

I appreciate that the number could have been increased to 16, 24 or 48. I do not know the maximum number the minister could set but, by increasing by one third or one half the existing number, he saw to it that he would get the majority when decisions are reached with regard to grants amounting to less than $25,000. The act states clearly that the commission has the right to undertake a distribution program for gifts, grants of less than $25,000.

So, the amendment concerning the appointment of other members to the commission opens the way to such an implication. I am not raising an accusation.

**Mr. Lamontagne:** Mr. Speaker, we ask to be authorized to increase the number of the directors of the commission from 8 to 12, and I said to the Leader of the Opposition the other day that our intention was not to replace the eight directors already appointed by the former government, so that we would not have the majority when decisions are taken.

**Mr. Valade:** Mr. Speaker, I commend the minister for this statement because the appointments made by us were not political appointments. That is where lies the difference between the present government's attitude and that of the former government.

In the list submitted to the house by the minister on November 20 as recorded on page 4978 of *Hansard*, I see the name of Mr. Jean Brillant, one of the Liberal party's financial backers.

**Mr. Lamontagne:** Mr. Speaker, may I remind the hon. member that that concerns the national conference that has already been set up, and which is not at all the same thing as the centennial commission. Consequently, I would ask the hon. member to read the act and restrict himself to the question under study.

**Mr. Deputy Speaker:** I must remind the hon. member for St. Mary that in this debate I called to order some members who seemed to confuse the two agencies.

**Mr. Choquette:** The Duplessis manner.

**Mr. Valade:** Mr. Speaker, the hon. member for Lotbiniere has just said words that may be dangerous for him, since nationalistic and crypto-separatist statements were not made by Mr. Duplessis, but rather by his friends Messrs. Levesque and Lesage.

Moreover, I think that many statements on the part of some of his friends in the province of Quebec have contributed more to disunion in Canada than any statement made by the former premier of that province.

I also think that the hon. member for Lotbiniere should think again, for he has made another statement where he gave a detailed account of the Liberal party's great

contribution to confederation and its understanding of this problem. Now, if my hon. friend would go back to the days when Mr. St. Laurent was prime minister of Canada, he would recall that during a similar debate, the former prime minister had stated that the French language could be done away with, as an official language by a majority vote in the House of Commons.

**Mr. Deputy Speaker:** Order. I hesitate to interrupt once more the hon. member for St. Mary, but I suggest that he limits his remarks to the legislation now before us.

**Mr. Valade:** Mr. Speaker, I apologize, but I had to answer the hon. member for Lotbiniere who made quite an irregular interruption, and if he wishes to start a debate on that matter, I am ready to take part in it.

I believe that the President of the Privy Council would have been well advised to keep political considerations out of the amendment he introduces to the legislation enacted by the former Conservative government.

To come back to the argument which I brought up a moment ago, I wish to tell him that I do not question the objectiveness and the honesty of those who will be appointed to that commission, but I believe that the risk which the government runs by proceeding in that manner can easily cast doubts on the honesty not only of the commission itself, but also of those who comprise it.

The commission will play a vital part in the success of Canada's centennial celebrations. That is why the minister should have taken all necessary precautions to ensure that nobody would have any misgivings about the commissioners' impartiality, and especially about political pressures or patronage within that commission.

Mr. Speaker, before I conclude, I must say that as a French Canadian, I will be most happy to celebrate Canada's centennial with my English speaking fellow citizens. However, as the present premier of the province of Quebec said on several occasions, the future of confederation will be very doubtful indeed if the two groups who wrote the British North America Act do not make an objective effort to understand each other.

In fact, the decisions we take should work in favour of national unity instead of against it.

I should like to remind the house that the soundest basis of confederation was laid by Conservatives, men like Cartier and Macdonald. History is there to prove it. I have the feeling that it is the Conservative party which will once again save confederation, especially if certain Liberals who hold important positions, like the Quebec premier and his minister of natural resources, keep on making vociferous statements in favour of nationalism and separatism. In my opinion, we will have then a basis for closer agreement between the two great races of Canada.

Mr. Speaker, nationalism and separatism are not to be found only in the province of Quebec.

There exists, in other parts of Canada, groups which manifest ideas of separatism in their own area.

In fact, it is recognized that hon. members often, and quite regrettably, receive periodicals which are not such as to consolidate the basis of understanding between French speaking and English speaking Canadians.

I have in hand one of those periodicals. I shall quote some extracts, simply in order to call the attention of responsible men, in all fields of public activity, on publications of that type, which, instead of helping us build a strong nation, endeavour to divide us by the wrong interpretation of the very principles which inspired the confederative pact. And, at this stage, I suggest it is a pact and not an act, as Mr. St. Laurent alleged.

Mr. Speaker, those periodicals are prejudicial to the country's unity. As a matter of fact, in its November 1963 issue, the *Sentinel* wrote:

[*Text*]

> They are pleading now for an equality which, if granted, would soon develop into applied superiority through the pressure their unified control and persistent needling can exert upon the political leaders of all parties. That, to our mind, is the issue that lies ahead for Canada. It is in the shaping today, and all the calls seem to be coming from militant French Canadians in all stratas of Quebec life.

[*Translation*]

Mr. Speaker, I point out that situation, which, I know, distresses all hon. members; but we are confronted here with precisely the type of publication that can only be prejudicial to the success of the celebration of the centennial.

The President of the Privy Council should have suppressed from these amendments the last appearance of patronage, so that this bill would not be a piece of legislation tainted with politics but a measure which might inspire truly noble feelings, unite all Canadians, and make of the year 1967, the year of Canada's centennial, a year of which we might all be proud as Canadians.

[*Text*]

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

[*Translation*]

**Mr. Côté (Longueuil):** Mr. Speaker, could I direct a question to the hon. member?

**Mr. Valade:** Certainly.

**Mr. Côté (Longueuil):** Mr. Speaker, my hon. friend has just suggested that the title of the act be changed to the "Canada centennial act". Does he not feel that in 1967 we shall be celebrating the 443rd anniversary of Canada?

**Mr. Valade:** Mr. Speaker, I am sorry, but I did not understand the question of the hon. member.

**Mr. Côté (Longueuil):** Mr. Speaker, the hon. member has suggested that the act be known as the "Canada centennial act". Does he not feel that in 1967 we shall actually be celebrating the 443rd anniversary of Canada?

**Mr. Valade:** Mr. Speaker, the hon. member's question affords me the opportunity to clear up a point.

When I speak of Canada's centennial, I want to emphasize that, in 1867, confederation enabled the two ethnic groups to unite. As a matter of fact, my friend knows quite well that there was no Canada as such in 1867, but that there was instead what they called "Lower Canada" and "Upper Canada"—

**Mr. Caouette:** "Haut-Canada" and "Bas-Canada".

**Mr. Valade:** I used the English expressions for the sake of bilingualism and to show clearly what the situation was then.

And thus with confederation, the wish of both French speaking and English speaking Canadians to unite and to respect each other came true. It is this respect for their essential rights that is laid down in the British North America Act, in sections 92 and 133, to be exact, and many others of which hon. members are aware.

Mr. Speaker, the hon. member for Longueuil should not make me say what I did not say and, especially, that I believe Canada began in 1867. On the other hand, I know that our country began to head towards a certain unity of mind in 1867, and our goal now must be to try and create, for 1967, a unity of mind in mutual respect for the rights of each province which is the true spirit of confederation, and not a melting pot.

**Mr. Côté (Longueuil):** Mr. Speaker, I should like to put another question to the hon. member. Is he not of the opinion that there was a Canada before Upper and Lower Canada came into being?

**Mr. Valade:** I think there were also Indians even before my friend's time, here, in Canada.

[*Text*]

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I rise to register my objections to this bill. It is another indication of fumbling and bumbling on the part of this government. I have had occasion during the last two or three days to run over in my mind the accomplishments of the government during this session, and I find that all they are doing is taking acts which are already on the statute books and changing names, enlarging the number of directors or the number of people mentioned in those acts, and things of that nature.

Here we have another example. The National Centennial Act was set up, people were appointed and the job was under way. This government has to now tinker with this operation. When the present government was in opposition was the time for them to suggest the changes that they are now trying to bring into effect, if they thought them worth while at that time—which they did not. We have heard hon. members suggest today—

**Mr. Barnett:** Mr. Speaker, I do not like to interrupt the hon. member, but I rise on a point of order. I believe it was understood that at 5.20 we would move to the private members' hour.

**Mr. Deputy Speaker:** The understanding of the Chair was that we would go to twenty minutes after five o'clock, and unless there is unanimous consent to continuing this debate, the Chair will have to call the private members' hour.

**Mr. Pickersgill:** Mr. Speaker, if the hon. member for Winnipeg South Centre (Mr. Churchill) is absolutely the last speaker, and if he could conclude his remarks in a couple of minutes—

**Mr. Churchill:** Oh, oh.

**Mr. Pigeon:** No.

**Mr. Pickersgill:** —perhaps the house would consent to that course being followed. But if we are going on with a debate on semantics—and the debate on this bill has already gone on for three days—I think we should follow the course that was agreed upon earlier.

**Mr. Churchill:** This is precisely the reason I intend to debate this measure, because of accusations like this. One of the other members said we were wasting the time of the house and the hon. member has referred to semantics, and so on. I have every intention of exerting my rights as a member of this house to be heard on this bill.

**Mr. Pickersgill:** The hon. member for Comox-Alberni also has rights.

**Mr. Deputy Speaker:** May I suggest that the hon. member for Winnipeg South Centre might want to adjourn the debate because I understand we are going into committee of supply at seven o'clock.

**Mr. Churchill:** I move the adjournment of the debate.

Motion agreed to and debate adjourned.

## MOTIONS FOR PAPERS

### ACCEPTANCE OF FISHERIES COMMISSION RECOMMENDATION RESPECTING HALIBUT

**Mr. T. S. Barnett (Comox-Alberni)** moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the cabinet minute or other official document which authorized the Secretary of State for External Affairs to notify the executive director, the international north Pacific fisheries commission, by telegram under date of May 10, 1963, that the commission's recommendations for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west of the Queen Charlotte islands from the annex to the convention had been accepted by the government of Canada.

He said: Mr. Speaker, this motion has been standing in my name for some time. It was transferred for debate on October 16, and in order to set the matter in perspective I might perhaps just quote the remarks made by the Secretary of State for External Affairs (Mr. Martin) on that occasion. He said, as reported on page 3625 of *Hansard* for October 16, 1963:

The government, as my hon. friend knows, approved the three recommendations of the international north Pacific fisheries commission concerning the removal of halibut stock in the eastern Bering sea and herring stock west of the Queen Charlotte islands from the annex of the north Pacific fisheries convention. This decision was communicated to the executive director of the commission on May 10. Action was taken on the authority of this cabinet decision and no other official document exists.

With regard to the production of the actual cabinet minute, as my hon. friend I am sure well knows, it is a well established rule in Canadian parliamentary practice that the texts of cabinet minutes are not made public. I regret, therefore, I cannot agree to the motion and I ask my hon. friend to be good enough to withdraw it.

My reply was as follows:

I would not quarrel with the general principle enunciated by the minister in respect of cabinet minutes, but it does seem to me there are some particular circumstances surrounding the situation which the minister has outlined in connection with this matter. It is apparent from what he has said that there are no other official documents in connection with the action taken by the government.

It seems to me there are some special circumstances attached to this kind of situation. I should like to ask, therefore, following the good example of the present minister in the previous parliament, to have this motion transferred to a place on the order paper where it would become a debatable motion.

The terms of my motion which you have read to the house, Mr. Speaker, make it clear that I was not directly asking for the production of a cabinet minute. My motion does say "cabinet minute or other official document". At the time I drafted this motion I had been led to believe that there perhaps was no other official document, but I was hopeful that there might be one which I had not been able to discover. I should like to make it clear that I had no intention of asking the government directly to produce a cabinet minute as such.

The reason I felt this motion should be debated was that if there were no other documents than the cabinet minute, a rather peculiar and regrettable state of affairs, then the cabinet minute being the only official record of the action taken by the Canadian government to amend an international treaty, that should become public property. If the situation is as indicated by the Secretary of State for External Affairs in his earlier reply to me, then the public of Canada and the members of this house have never had any official notification that the annex to this treaty has been amended.

As the house will recall, a rather important and controversial matter is involved. I realize fully that it is not within the rules on this occasion to debate the merits or demerits of the action the government took. However, in order to put this matter in perspective, I feel I should be permitted to point out that when the original proposals of the international commission came to the attention of the house during the last parliament, this was obviously quite a controversial matter. It was considered to be of grave importance by hon. members, particularly those who came from British Columbia whose fisheries were most directly affected by this north Pacific convention.

I should remind the house that this concern was shared by most of the other members from British Columbia and by the Liberal members of this house who represented British Columbia, including the present Minister of Northern Affairs and National Resources (Mr. Laing). I recall that on one occasion he asked the then minister of fisheries about this matter and suggested it should go before the marine and fisheries committee prior to a decision being taken by the government. He suggested that this could possibly have disastrous consequences. Those are his words, as I recall them. I found it difficult to understand, therefore, when the present government acted precipitately on this matter and apparently tried to shove it under the rug, so that parliament and the people of Canada would not be aware of what has taken place. Quite frankly, this is the only interpretation I can place upon the fact that the only official record of the action taken by the government of Canada in this connection is some cabinet minute.

This matter goes back, of course, for some time. I suppose the members of the present administration could argue that this was a

matter which should have been brought to a conclusion by the previous administration. I would not quarrel with them too much if they were to suggest that there was some unnecessary delay under the previous government. I asked for the production of papers earlier, including the correspondence exchanged between the government of Canada and the international north Pacific fisheries commission on this subject. A return was made on July 5, 1963 and it is sessional paper No. 64A.

The file on this subject begins with a letter dated November 23, 1962 addressed to the then secretary of state for external affairs, the Hon. Howard C. Green, wherein the government is notified by the executive director of the international north Pacific fisheries commission that certain recommendations of the commission to change the annex to the treaty had been made. The correspondence has some rather wide gaps in it, and I will not attempt to put it all on the record because I do not think it is particularly relevant to this discussion. However, I would follow through to the fact that on April 4, 1963, a letter was addressed to Mr. Jackson, the executive director, from the under secretary of state for external affairs acknowledging the fact that they had been notified by the international commission of the acceptance by the government of the United States of the amendments to the annex to the convention.

Then there is a lapse of some period of time, the next letter on file being dated May 8, 1963, addressed to the Secretary of State for External Affairs (Mr. Martin) from Mr. Jackson, the executive director of the commission. In the fourth paragraph of the letter Mr. Jackson has this to say:

> The commission has now been advised that the government of Canada has accepted the recommendations to amend the annex of the convention in respect of the stocks referred to in the letters cited above. Advice from the government of Canada to this effect was received by the commission on May 8, 1963. In accordance with the provisions of article VII, paragraph 2, of the convention I am herewith notifying each contracting party of the date of receipt of the Canadian notification of acceptance of the amendments to the annex of the convention.
>
> Since all three contracting parties have now signified their approval of the commission's recommendations of the amendment of the annex, it is considered amended from May 8, 1963 in accordance with the provisions of article VII, paragraph 1, of the convention.

In light of that particular letter, and in light of the fact that the effective date of the amendments to the treaty is May 8, 1963, I find the next document on file to be quite interesting. It is dated May 10, 1963 and is from the Secretary of State for External Affairs to the executive director of the convention. This document is a telegram and it reads as follows:

> With further reference to your letters of November 26, 1962, January 25, 1963 and February 19, 1963, I am pleased to inform you that the commission's recommendation for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west of—

**The Acting Speaker (Mr. Batten):** Order. I am listening with some care to the line of argument the hon. member is adopting. In his previous remarks the hon. member indicated that he has knowledge of the narrow limits between which a debate of this kind is confined. He is now requesting the production of papers, and the only matter before this house at the moment is not the operation of the commission but whether or not the documents referred to should or should not be tabled. I recognize that in this chamber there has not been a long history of this particular type of procedure, but in every case since this rule was adopted on September 27, 1963 I think every Speaker has warned the house of the narrow limits of this debate. While I can understand that the hon. member would want to preface his remarks with some information, I would advise him that the real question before the house is whether or not the documents should be tabled. I would hope that he would keep within these limits as far as possible. I say this to the hon. member because I would not want him to range far afield and then this practice be used as a precedent for succeeding debates.

**Mr. Barnett:** Mr. Speaker, I appreciate your concern in this connection. I stated at the outset that I would carefully try to avoid arguing the merits or demerits of the case. I am about to conclude my reference to documents which, in my opinion, are in fact the basis of my contention that this house should request the government to produce a cabinet minute, which I am willing to concede is not a usual request. It is because of the actual documents and the factual statements which I am attempting to put on the record that I feel I have a logical argument. If you will bear with me for another minute or two, Mr. Speaker, I think I can proceed immediately to relate what I am quoting to my request for the production of the documents. I feel these questions are very pertinent to my case. I realize that they are rather wordy because they go into the details, but I felt I should be careful in placing the exact text of these documents on the record so that there could be no question as to the accuracy of the arguments I am going to advance.

I think I had read the telegram from the Secretary of State for External Affairs to the point where I had made it clear that he had notified the executive director of the commission of the acceptance by the government of Canada of these amendments to the annex to the treaty, as proposed by the commission. The rest of the telegram deals with the matter of an appointment to the commission to succeed the late Mr. G. R. Clark, and I need not quote that part of it.

The particular point which I think bolsters my argument that the government treated this matter very lightly is this. I am trying to bring home the fact that in the light of the letter and the telegram to which I have referred, according to the executive director the treaty amendment came into effect on May 8; yet the commission had no notification from the government of Canada, according to this file, until two days later, May 10. I think I could argue that that in itself is a rather strange state of affairs. I could also point out that the letter from the executive director dated May 13, which acknowledges receipt of the telegram from the Secretary of State for External Affairs, does throw light on this rather peculiar situation—at least, the situation strikes me as being peculiar. I say that because in the last paragraph of his letter he says:

> As we stated in our letter to you of May 8, we were informed orally of the decision of the Canadian government by the deputy minister of fisheries....For that reason the effective date of the amendment of the annex to the convention has been announced as May 8.

I do not know how this situation strikes other hon. members but I was rather shocked when I read through this file. I felt that here we had an international convention, which was ratified by act of this parliament, amended as a result of an oral communication from one of our civil servants. That, in my opinion, is not the proper way in which to conduct Canada's international business. I wish the Secretary of State for External Affairs were here this afternoon, because I feel this is really his responsibility. I should like to point out that under the terms of the north Pacific fisheries convention as ratified by the statute which appears as chaper 44 of the statutes of 1952-53, article V of the treaty reads:

> The annex attached hereto forms an integral part of this convention. All references to "convention" shall be understood as including the said annex either in its present terms or as amended in accordance with the provisions of article VII.

I confess I am no authority on these matters, but while it is legal and proper for the governor in council to agree to amendments to the annex without formal ratification by parliament being required, it does seem to me that when it comes to amending an annex which is an integral part of an international treaty between Canada and two other nations—a treaty which required ratification by this parliament—the government should at least have a responsibility for tabling an official document in this house so as to inform members that an international convention has been changed.

As far as I can find out, this has not been done. According to the statement made by the Secretary of State for External Affairs, no such document exists. I think this is particularly ironic because, as I understand the situation arising out of amendments to this treaty, certain consequential amendments affecting the halibut fishery regulations were involved, and these regulations were gazetted in the Canada Gazette. It seems strange to me that in connection with a relatively minor matter, the amending of certain halibut fishing regulations, the government should be required to record its actions in the Canada Gazette, although it is considered right and proper that the amending of a treaty can be done by a secret minute of the cabinet.

These are the reasons which have led me to feel that the only proper course for the government to take in these circumstances, in the absence of any other documentary evidence of the amending of this treaty, is to lay on the table of the house the cabinet minute referred to in my notice of motion for the production of papers. I do not think I wish to say anything more. As I have made clear, I do not consider myself to be an authority on international law and if a spokesman for the government can tell me why the course of action followed by the government is in line with normal constitutional practice I will be glad to listen to him. But since the ordinary practice is that acts of a public nature carried out by the governor in council must be gazetted in the Canada Gazette or laid on the table of the house, it does not seem right that the government should be able to amend a treaty without anyone in the house having official knowledge that such a thing has been done.

**Hon. H. J. Robichaud (Minister of Fisheries):** The hon. member prefaced his remarks by making certain observations and I hope I shall be permitted to reply to them. In his motion, which has been transferred for debate, the hon. member asks:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of the cabinet minute or other official document which authorized the Secretary of State for External Affairs to notify the executive director, the international north Pacific fisheries commission, by telegram under date of May 10, 1963, that the commission's recommendations for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west

of the Queen Charlotte islands from the annex to the convention had been accepted by the government of Canada.

In opposing this motion I should like to deal briefly with the background, referred to by the hon. member, the north Pacific fisheries commission, and show that the government has acted under authority which had been granted to it by this parliament. The international convention for the high seas fisheries of the north Pacific ocean was signed in Tokyo on May 9, 1952, by the Canadian representative pursuant to order in council 2282 dated April 17, 1952. The convention was tabled in the house on March 27, 1953. Implementing legislation was then brought before this chamber and approved on April 2, 1953. It appears as chapter 44 of the 1952-53 statutes. On June 12, 1953, the Canadian instrument of ratification was deposited with the Japanese government pursuant to order in council 1953/696, dated May 7, 1953.

Under the convention, Japan agreed to abstain from fishing salmon, halibut and herring of north American origin. The convention provides that after a five-year period, the north Pacific fisheries commission, established pursuant to the convention, will annually determine, on the basis of scientific evidence, whether these stocks of fish continue to qualify for abstention within the terms of the convention. This week, at this very moment, the convention is holding its tenth annual meeting in Vancouver.

As the house knows, the commission has so far made four recommendations with respect to the removal of stocks of fish from the abstention list. The first was made in 1959 when the commission recommended that herring off the coast of Alaska be removed from the list. The second was made in 1961 when the commission decided that herring off the coast of the mainland United States no longer qualified for abstention. Both these recommendations were approved by the three governments concerned and the annex to the convention was amended accordingly. As a result of an exhaustive study of the scientific evidence, the commission determined at its annual meeting in Seattle in 1962 that the stock of halibut in the eastern Bering sea and the stock of herring off the west coast of the Queen Charlotte islands no longer met the qualifications for continued abstention. It accordingly recommended to the three governments concerned that these stocks of fish be removed from the abstention annex of the convention.

**Mr. Barnett:** Would the minister permit a question? If I understood him correctly, he just said the authority was granted under the terms of chapter 44 of the revised statutes of that year. I wonder if he could be a little more specific. Just where and how, in this particular act, is that authority granted?



**Mr. Robichaud:** As will be seen at page 310 of the 1952-53 statutes, chapter 44, entitled An Act to implement the International Convention for the High Seas Fisheries of the North Pacific Ocean, section 4 reads as follows:

> The governor in council may make regulations for carrying out and giving effect to the provisions of the convention and any recommendations of the commission, and without restricting the generality of the foregoing, may make regulations—

Then the act specifies the regulations that can be made. The hon. member stated in the course of his remarks that no documents were produced by the government and that the only documents available were cabinet minutes. I stated in the house in reply to a question by the hon. member for Queens on May 28, 1963, as reported on page 352 of *Hansard*:

> The government has accepted the commission's recommendations and has advised the commission accordingly. It has also approved by order in council the amendment to the northern Pacific halibut fisheries regulations as recommended by the commission. The decision was taken on May 7 and the order in council was passed on May 23.

I have here a copy of the order in council which reads as follows:

> Northern Pacific Halibut Fishery Convention Act
> International Pacific Halibut Fishery Regulations
> P.C. 1963-772
> At the Government House at Ottawa
>
> Thursday, the 23rd day of May, 1963.
>
> His Excellency the Governor General in Council, on the recommendation of the Minister of Fisheries, pursuant to the provision of section 2 of article II of the convention between Canada and the United States of America for the preservation of the halibut fishery of the northern Pacific ocean and Bering sea, is pleased hereby to approve the annexed regulations made by the international Pacific halibut commission.

The hon. member made reference to a telegram which was sent by the Secretary of State for External Affairs (Mr. Martin) under date of May 10 stating—

**Mr. Barnett:** Before the minister proceeds to deal with that telegram, I wonder whether he would permit another question.

**Mr. Robichaud:** Certainly.

**Mr. Barnett:** He referred to an order in council which I understand was made under the terms of the act in respect of the northern Pacific halibut convention. I understand that what is involved in the question is the north Pacific fisheries convention. Arising out of section 4 of the act which he quoted and which as he said gives the governor in council the authority to make regulations in respect of the north Pacific fisheries convention, I should like to know where the regulations are in respect of the subject matter of my

motion concerning the north Pacific fisheries commission. I am quite aware of the order in council about the halibut fishery.

**Mr. Robichaud:** In reply to the hon. member I wish to repeat what I have said before in the house. The only document available outside of the cabinet minutes is the order in council which amended the North Pacific Halibut Fishery Convention Act. As the hon. member well knows, this act is annexed to the treaty and this is where the amendment was made. The amendment was made to the regulations under the authority granted to the government which I have cited, chapter 44 of the statutes of 1952-53, section 4, which provides that the governor in council may make such regulations as are deemed advisable to carry out and give effect to the provisions of the convention and any recommendations of the commission. So it is clear that the government has acted under authority which was granted to it by parliament.

**Mr. Barnett:** Surely I did not hear the minister correctly. I understood him to say that the north Pacific halibut fishery convention is annexed to the treaty which is part of chapter 44 which ratified the north Pacific fisheries convention.

**Mr. Robichaud:** Would the hon. member put his question again so I can get it straight?

**Mr. Barnett:** My question is based on my understanding that the minister read from an order in council which was passed pursuant to authority given by the northern Pacific halibut fishery convention.

**Mr. Robichaud:** Right.

**Mr. Barnett:** I understand that is chapter 43 of the same volume of the statutes as the north Pacific fisheries convention. My question arises out of my understanding of what he said, namely that the northern Pacific halibut convention was annexed to or was a part of chapter 44. I suggest that the two things are separate and apart. By way of explanation may I say that in my remarks I indicated I knew that arising out of the amendment to the north Pacific fisheries convention an order in council had been passed amending the north Pacific halibut regulations, but I would suggest they are two entirely separate questions.

**Mr. Robichaud:** If the hon. member will read the north Pacific halibut convention, chapter 43, and the north Pacific fisheries convention, chapter 44, he will find that the matter referred to in his motion has to do with both acts. In the case of the recommendation referred to concerning halibut in the eastern Bering sea, which required implementation, I might state that this was done by amending the international Pacific halibut fishery regulations which are promulgated under the Northern Pacific Halibut Fishery Convention Act, chapter 43, to which he has referred. It may be I was wrong in stating that the order in council I referred to was passed under chapter 44. I find that it was passed under chapter 43 of the statutes of 1952-53. That is the one I referred to in my reply to the hon. member for Queens, as reported on page 352 of *Hansard*.

In connection with the production of cabinet minutes I think the hon. member is well aware that a decision of the house in that regard was taken on June 20, 1951. On that occasion the prime minister of the day referred to the oath of privy councillors and stated it would not be proper to establish precedents which would in any way depart from the constitutional tradition that matters treated, debated and resolved in the privy council cannot be published to any who are not of the privy council. That can be found on page 4346 of *Hansard*, June 20, 1951. May I call it six o'clock?

**The Acting Speaker (Mr. Batten):** It being six o'clock it is my duty to inform the house that the hour for consideration of private members' business has expired. As the business to be considered at seven o'clock, pursuant to special order made on Thursday, October 17, 1963, will be the estimates of the Department of National Health and Welfare, does the house agree now to go into committee of supply?

**Some hon. Members:** Agreed.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

### DEPARTMENT OF NATIONAL HEALTH AND WELFARE

**The Chairman:** Order. House again in committee of supply, estimates of the Department of National Health and Welfare, vote No. 1. Shall this item carry?

1. Departmental administration, $1,973,500.

**Mr. Rynard:** Mr. Chairman, there are a few matters to which I should like to direct a little special attention. We must not lose

sight of the necessity and urgency for doing something about blind pensions. The minister has mentioned this, and I know she has some problems in working out a solution in conjunction with the provinces. However, I believe she has enough drive to bring it to a head and do something more for the benefit of blind people, as has been already done on old age security.

I also want to speak for a few minutes on the question of disability pensions. For far too long the definition of a disabled person has been much too strict. Actually this philosophy of a disabled person having to be in a wheelchair or lying in bed is ridiculous in this day and age. It should be related to his ability to have or to get any type of employment.

In this connection there is another point which we encounter in practice over and over again. Quite often a disabled person is a married man, and his wife goes out to work because the disability allowance is quite insufficient to keep the household. However, once she earns more than $1,980 a year, or $165 a month, she is in trouble. That is ridiculous, because quite often she has to pay carfare or drive a motorcar to get to her place of work. She has to buy food, clothes, pay for rent and fuel, and look after the furnishings in the house. It is ridiculous for officials to penalize people simply because they are showing thrift.

When I was home last week end a case was drawn to my attention of a mother who had two children going to high school. These two were over 16 years of age, and she had a third child coming into that age bracket. Through you, Mr. Chairman, I say to the minister of health that the promise of the Liberal party to continue family allowances as long as children are at school should be implemented at once. I think there is general agreement that they said they would extend it to the age of 18 years, and as a matter of fact the Minister of Justice stated in the house that the government had a plan, which he thought was a pretty thorough going one, and that it would be introduced in due course.

There is a little urgency about this in view of the fact that the cost of living has increased. It should be remembered that boys and girls are being kept longer at school not only upon the insistence of the parents and the department of education which exhorts the parents to keep them there, but also on the advice of the federal government which says the young people should continue at school to learn the necessary skills so that they will not be unemployed. Surely we cannot have it both ways.

Mr. Chairman, I wanted to dwell for a little while on the question of the conference that is being held here next Monday. I know and appreciate that the Minister of National Health and Welfare has taken a very sympathetic attitude toward this matter, but I wonder whether she or the ordinary person realizes the great importance of this conference. I recall that when I went to medical school 35 years ago, cancer of the lung did not have to be considered at all and was not looked for. We were looking for tuberculosis and other things on the X-ray plates. When a radiologist looks at an X-ray plate today, he looks at it very carefully to see if there is any evidence of cancer. From 1899 to 1919, if my memory is correct about these years, in the University of Minnesota they reported only three cases of cancer of the lung. In the year 1919, at that same university hospital, they reported only one case. In the years 1949 to 1952 they reported over 264 cases. We must bear in mind in this connection, Mr. Chairman, that generally speaking very few cigarettes were smoked prior to the first great war. Since that war there has been a gradual step-up year by year in the number of cases of lung cancer which have occurred in the United States. The increase in the number of cases of cancer of the lung has been paralleled by the increase in the consumption of cigarettes, and in the year 1960 there were 37,000 people who died of cancer of the lung in the United States.

It is true that in proportion to men, not many women have died of cancer of the lung, but I hope this does not start the minister back on the road to destruction, because there has been a marked increase over the years in the number of women who have developed this disease. To demonstrate the seriousness of this situation I say to you, Mr. Chairman, that out of every 100 of these cases of lung cancer that are diagnosed, within five years 95 of them are dead, regardless of the type of treatment carried out. Therefore it follows that there is only one form of treatment, and that is prevention. When we look at the record and all the surveys that have been made, we realize that to all intents and purposes those who do not smoke do not contract cancer of the lung. I want to go a little further, Mr. Chairman, and say that we can consider a religious group, the Seventh Day Adventists, who do not smoke or drink, and we find that to all intents and purposes they never contract the disease of cancer of the lung.

I have illustrated that there is no cure for this disease, and in Canada today more people are dying of cancer of the lung—and this is leaving out coronary diseases and all the other things; and there are about double the number of deaths in the coronary field—from

among those who smoke than is the case with non-smokers. Today more people are dying in Canada every year of cancer of the lung than from traffic accidents, bad as they are. Therefore the conclusion one must reach is that the cigarette plays a very definite part in causing cancer of the lung. I have emphasized to you, Mr. Chairman, that the only treatment for this disease is prevention. This prevention must go back to the boys and girls between the ages of 14 and 17 in our high schools today, because I think it has been fairly well proven over and over again that if a boy or girl has been smoking for two years, they have acquired the habit. To illustrate the seriousness of this problem I would point out that it is estimated that over 400 boys and girls start smoking cigarettes every day in Canada.

I know the minister is very well aware of most of these facts, but I want to impress upon her that to carry out a policy of prevention in this regard you must have the good will and the support of everybody across this nation. There is no question as to what the findings will be, because they have been proven over and over again; but to get that good will and support you must have the backing of the men and women across this country. You must have the support of the press, of members of parliament, and of all the people generally. So I ask the minister—and I know all the difficulties, and I know that if it were easily done she would have agreed to do it long ago—to very carefully consider obtaining a larger room, if it is at all possible, so that the press, the members of this house and the Senate, and other interested people may come into this meeting and hear first hand the story of tobacco, cigarette smoking and cancer of the lung. Through you, Mr. Chairman, I would ask the Minister of National Health and Welfare to give this question most careful consideration.

**Mr. Howe (Hamilton South):** Mr. Chairman, I would like to see if I can raise this debate to a scale that is a little less depressing than that achieved by the hon. member who has just spoken. I do not mean that I disagree with what he said, but there are other things that we must consider. I would like to see if I can imbue the Minister of National Health and Welfare with some common sense thinking about a national health plan. Realizing that the Liberals have been promising this since 1919, I am going to try to give them some reasons for implementing it now.

I like to feel that in our modern society the blessings of good health and the advantages of many new discoveries and developments are not only for those who can financially afford them. I like to feel that when a new discovery comes about, it will be available to anyone who is in need of it and not just to anyone who can afford it. The development of a national health plan is so that this may come about. Popularly, Mr. Chairman, today this is known as medicare. It has been said that everyone is adequately cared for by our present system. I do not even consider this is a system, much less that it is adequate. I admit that a great many people are cared for in one way or another, but certainly not properly, by present standards. It is my considered opinion that there is a large group of people who are medically indigent. I am not referring to those people who are now receiving charity, but those whose budgets do not allow them to receive adequate care and, in many instances, no care at all. These people will let things go until they reach serious proportions, rather than run up a medical bill. These same people, when they do come to the office, are often inadequately treated either because they do not get the required prescription, for financial reasons, or the doctor substitutes something cheaper than the best treatment, something they can afford to buy.

These are the ways in which I consider that people receive inadequate care. We cannot change the ways of people who are incapable of budgeting for an illness. I do not believe that people are asking for charity, nor do I believe in the degradation that a person must suffer in order to receive some sort of medical care in the event of illness. There are some who would forgo medical treatment rather than receive it under these circumstances. A properly planned comprehensive national health plan would remove this barrier of having to receive charity in order to obtain medical care because everyone would be paying for this in accordance with his ability to pay and consequently would be financially responsible. To this extent, the stigma of charity would no longer exist. As a practising doctor, I feel an important barrier would be removed. Our medical freedom to treat patients is limited by financial considerations which are, medically speaking, entirely irrelevant.

Another financial barrier is that of indebtedness of the patient to the doctor. It provides a tremendous psychological barrier between doctor and patient. Certainly, a doctor's judgment is hampered by the realism of the debt that exists between them. When I refer to a national health plan, I am referring to an all-inclusive completely comprehensive national medical insurance plan. This is one that not only covers doctors' services but includes dental care, medication, eye glasses and appliances. Anything less than this in a

national plan is inadequate. Private insurance plans are never this comprehensive. None of them include dentistry and only a few of them include partial drug payments. All of them are covered with exclusion riders, waiting periods, exceptions, omissions and fine print. It often takes a lawyer to interpret them and one often feels that to collect from them is committing a felony.

I cannot see how a national plan would cause an increase in expenses. Medical care is now costing X number of dollars, and the only increase would be the cost of administration and the proper care of those inadequately cared for now. Part of the cost of administration would be offset by the removal of profits now enjoyed by the private insurance companies In other words, a national insurance plan would simply level expenses, as does any insurance plan.

I turn now to the opposition to medicare. The main opposition to medicare is purported to be the doctors. The doctors have stated that the people would abuse the plan. In my opinion, this only proves that people are being inadequately treated now because they do not want to burden themselves with financial expenses they cannot afford. Must we use financial inadequacy as a deterrent to medical care? Doctors are represented as being dedicated people, dedicated to the care of others, and yet all their arguments against medicare have to do with their own, private feelings. I should like to quote from an article in the *Globe and Mail* of May 21, 1963. This is a short joke which reads as follows:

> Fred: What did your doctor tell you?
>
> Al: He told me to cut down on my smoking, try to walk a mile a day, and to be sure to write a letter to my member of parliament against medicare.

Doctors belong to many associations such as the Ontario Medical Association, the Canadian Medical Association, and their colleges of physicians and surgeons in the various provinces who are their licensing bodies. These bodies lay down the rules and laws that govern the ethics, behaviour and economics of the medical profession. Doctors who do believe in a government sponsored compulsory medical health plan are afraid to go against this norm that is set down by the association to which they belong, and say what they truly believe. Is this the true purpose of an elected body that is supposed to portray the wishes of all its members?

I have seen letters from doctors in Saskatchewan, and after reading them I was actually ashamed to admit I was a member of this profession. Am I idealistic when I state that I always thought doctors belonged to a profession that served sick people and that this was their prime function? I realize that economic problems and factors are important and that doctors must live, but must they appear to be interested in the welfare of people and yet, at a time of crisis, show a selfish interest in their own welfare? Medicare eliminates a doctor's economic problems. I do not believe the associations that represent the medical profession truly express the feelings of the members, but rather their own feelings. The impression that is given to the public is that these bodies do truly express all the doctors' views, and I feel that this is a false impression. It is not my intention to deprecate the medical profession, especially since I am a member myself, but I do feel that the misrepresentation should be known.

There would be no harm in this if it did not involve the health of the working man and his family. Health is a necessity for making a living and the responsibility for this lies with the medical profession. These doctors are hard working and most are truly devoted to their duties, but in many instances are misrepresented by their own elected governing bodies. Is it fear of these bodies that prevents us having a properly run, government sponsored all-inclusive medical health plan? There are no private plans that are adequate, as was proven by work done in Hamilton at the Steel Company of Canada. The Ontario Medical Association is stating that up to 70 per cent of the people have adequate medical care. This is truly deceptive because only 47.2 per cent of people have some form of health insurance. It now only remains to show the inadequacy of present plans.

P.S.I. is considered to be the best of the private plans, and it covers 18 per cent of the population. An exhaustive survey was conducted in Hamilton by the department of political economy of the University of Toronto with the help of the steelworkers union. By comparing P.S.I. with a profit-making plan, P.S.I. was found to be the best, and yet P.S.I. paid only 23.5 per cent of the average total health costs of the families who subscribed to it. The people who have P.S.I. are better off than others who have one of many profit-making plans that cover only 12.9 per cent of the average family's total health cost. These plans are riddled with escape hatches for the insurance companies in the event they are paying out too much to any one person. These policies may be cancelled at the whim of the company by refunding premiums, or exclusion riders may be attached after an illness in order to exclude the system involved or any future diseases which may develop. What kind of protection is this for anyone? What kind of

protection is this for a man who must earn a living for himself and his whole family? Surely, his illnesses are not self-inflicted so that he must be punished for them and then expected to go through the degradation of receiving charity.

Only 18 per cent of all Canadians enjoy the best kind of private plan available, and even these plans pay less than one quarter of the family's total annual health cost. The reason for this low figure is that none of them include dental care, eye glasses, appliances or drugs. The statistics are rather shattering when one listens to the propaganda of the Ontario Medical Association, the Canadian Medical Association and the Canadian Chamber of Commerce, who are the enemies of any national health scheme. These people tell us that it is a person's individual right to choose his own plan. Really, he has no choice except to select an inadequate private plan, to join the army or be admitted to a mental home, if he wishes to receive adequate care.

If the representative bodies of the medical profession can come up with a privately administered plan that gives the kind of coverage the British people enjoy, well and good. If they cannot, then we should get on with the business of a government sponsored compulsory health plan. You cannot manipulate statistics forever. Let the doctors and their associations either produce or keep the status quo, but let them stop hoodwinking the public. People are afraid they will not be able to choose their own doctor under a national health plan. This is not so. Actually, conditions would be the same as they are now without the financial barriers between doctor and patient. Doctors would be paid for services rendered only, thereby maintaining the doctor's incentive to treat his patient. This fear or ignorance, and it must be realized that ignorance produces fear, prompted the Ontario Medical Association to produce a small booklet entitled, "Doctor, What About Medicare?" This booklet was circulated to every doctor in Ontario and is full of propaganda against government sponsored plans. Again, I ask, is this truly the feeling of the medical profession? This book was available at a slight cost for putting into doctors' waiting rooms for distribution to patients, so that this propaganda would spread even farther.

I should like to quote also from an editorial in the *Star Weekly* of a few months ago. This editorial deals with the fear the doctors have about a government medical insurance plan. If the doctor's fear is that he does not want a layman dictating treatment for his patient, or want anyone to tell him the type of drug a patient needs, or the number of X-ray plates it is necessary to take, it is well realized that these are medical decisions and can only be made by qualified personnel. This editorial is summed up in this manner:

> What Canadians want is a system that will provide all of them, rich and poor, with the medical care they request. They do not want to bilk the doctors. They merely want to make sure that every citizen gets medical attention when he needs it. not as a matter of charity, but as a matter of right. This, we think, is a principle with which most doctors would agree.

I should now like to go into the success which other countries have enjoyed in this direction. We happen to be distinctive in that with the United States we are the only two countries in the world which have no government sponsored medical health plan. Great Britain has put in some of the most successful government sponsored health plans at a time of Great Britain's greatest austerity. It was, of course, the British Labour party that did this, at a time when it seemed almost impossible. Since 1953 Great Britain has had a Tory government, and yet no attempt has been made to remove this plan. As a matter of fact, recently the British Tory government instituted methods of improving some of the parts of the system.

A few months ago there was a panel consisting of general practitioners, specialists, and politicians who came over from Great Britain to the United States, and this panel was heard and seen over a nation-wide television network. The general concensus of all the panel was a complete satisfaction with their system, and the only thing they feared was the misrepresentation which the press have given us over here.

There are only two countries left in the world today that do not have some form of government medical plan—Canada and the United States. The ability of a country to provide these necessities to everyone is a reflection of the political and cultural status of a country. Our status cannot remain one of the status quo; we must advance and we must do so in a completely democratic way.

It has also been said that the quality of medicine would be lowered because of the increase in quantity. Even this is not so, as evidenced by a study on the Norwegian health plan. Two of the most universally accepted measurements of the merits of a given medical system are the infant mortality rates and the life expectancy at birth. The infant mortality rate in Norway is 20.5 per thousand births and in the United States it is 26.4. Norway ranks fourth in the world and the U.S. ninth. In the life expectancy figures Norway ranks best in the world with 71 years for men as against 66 for men in the U.S. Medical

education in Norway is free, thereby producing opportunity for everyone with ability. The figures just given are not because there are more doctors per capita. In 1953 Norway had one physician for every 900 population, whereas the U.S. had one for every 760 population.

Other parties in Canada have made rather futile attempts to establish provincial health plans. The only one that has been established successfully and which is operating successfully at the moment is in Saskatchewan, where they have a partial medical health plan; they have provided doctors' care. Everyone knows there was a rather bitter battle over this scheme at the time of its inception, but even those doctors who were so stubborn and obstinate at that time are today of different mind. There was an article in last night's Ottawa *Journal* headed: "Battle lines on medicare blurring in Saskatchewan". I should like to read a small part of this article:

> The battle lines drawn by Saskatchewan doctors and the C.C.F. government over the compulsory medical care insurance plan put into operation 16 months ago are blurring.
>
> The tempered attitude of doctors, who once said they were unalterably opposed to compulsory medical care insurance in any form, is reflected in comments of Dr. E. W. Barootes of Regina, vice president of the Saskatchewan college of physicians and surgeons, who last year was an outspoken critic of the socialist government's plan.
>
> "The profession hopes that these differences of view that exist can be ironed out and modifications made so that the plan will be acceptable," he said in an interview. "There are some pretty deep philosophical differences but we don't want to pick a quarrel".

I think that is a pretty good statement, coming from a doctor who opposed the plan so adamantly only a year and a half ago. The editorial continues:

> Provincial health minister A. E. Blakeney says the possibility of changes in the plan is not excluded by the government.
>
> "It is the government's view that the plan is operating successfully and will continue to operate successfully. It is obtaining a wide measure of public support and is beginning to gain acceptance among the medical profession," Mr. Blakeney said.

They also mention this, although it happened about two months ago:

> In September, the government announced a 50 per cent reduction in one of the four levies that finance the $20,000,000 a year plan. Personal premiums were reduced from $24 a year to $12 for families and from $12 to $6 for individuals.

So as I say, despite objections at the time of its conception this plan is proving to be one of the most successful yet advanced. It makes me proud to be a member of the political party which was capable of putting forward the first successful plan on the North American continent.

**Mr. Weichel:** Mr. Chairman, it is a pleasure for me to participate in the estimates of the Department of National Health and Welfare. I well recognize that this department could be one of the most important departments of government. Throughout the years I have been very interested in the welfare and health of our senior citizens and youth, and for that reason my remarks will be confined to this subject.



First may I dwell on the welfare and health of our senior citizens, as we well realize that these people, along with the pioneers of our nation, have established and upheld many fine traditions in this great country of ours. When listening to the minister's speech on July 18, 1963 respecting the Canada pension plan, my first disappointment was that the government's promise during the last election of $75 a month to our senior citizens who meet the residence requirements of the old age security act would not come into effect at once. I can assure you that when talking to these senior citizens, such a delay was a real disappointment. With the higher cost of living they would have to be content to do without most of the necessities of life. As a director of Waterloo county's apartments for elderly persons, which are sponsored by the Royal Canadian Legion, branch No. 50, Kitchener, I well realize the necessity of such an increase. Our constant interest in and consideration of their welfare makes them feel that they are wanted citizens and not just a burden on mankind. Many of these people are first war veterans who, owing to their disabilities, have not been able to prepare for the future and are therefore unable to compete with other citizens who have the normal advantages. Such an increase, which should have been forthcoming some time ago, will give them greater security and an independent feeling in life.

Another situation we might well consider at this time is where a couple may be in receipt of old age pension, and death strikes leaving a burden on the survivor for debts incurred. Perhaps such pension of the deceased might be extended for a certain period to help the survivor to defray such expenses.

When speaking to our senior citizens I found much discontent over the price of drugs and medical prescriptions which generally appear too high for pensioners, especially those of low income. Surely some system could be devised where these necessities could be made available free to those below income tax level. In bringing forward this raise we also have an obligation to those citizens who are receiving old age assistance, blind and disabled allowances. Their future lives are in our hands. Humanitarian service extended to these people should be sincere and of most importance.

As I previously mentioned in this house on June 24, 1961 it is desirable that we give further consideration to those of our citizens reaching the retiring age of 65 years. These folk in many cases have not had the opportunity of providing for their future through superannuation or pension plans. Many of these people are on the unemployment list or were unable to have retirement postponed, and therefore are in financial difficulty at an age when they should be able to have some security other than just owning their own homes and a few belongings. It is an acknowledged fact that these citizens have played a prominent part in developing the economy of our country. I am sure that we, as hon. members of the house, along with the Department of National Health and Welfare, can devise some system to look after their financial needs at the retiring age.

Owing to improvements in medical care and otherwise, we have a greater population of people in the age group 70 or over, as well as those in the 65 to 70 year age group. These circumstances make our obligations much greater. Many fine improvements have been made in the Old Age Pensions Act. The previous government made the most beneficial improvement when they lowered the residence requirement from 20 to 10 years in regard to old age pensions. Another splendid move was that recipients are now permitted to take their pensions with them when leaving Canada on a permanent basis. I am sure that our senior citizens living outside of Canada or contemplating doing so for various reasons, are appreciative of such legislation.

My second thought concerns the fine youth of our country, but before expressing my observations on fitness and amateur sports, may I suggest that we who are parents should take a good look at our daily obligations with regard to assistance and guidance extended to them in their responsibilities as future citizens of Canada. Like all proud parents, we expect a lot of our younger folk, and we must do so if our young country is to fulfil its ambitions. However, we must not forget that they will only be able to shoulder their responsibilities in a manner consistent with the teachings and with the example which they will have received from us. To my mind, however, education in such a way is not related only to the three R's. It covers a much wider field. For one thing, good citizenship is required of all the individuals making up a nation, if that nation is to be strong and healthy. I am sure hon. members will agree with me that such education means developing in our children a strong sense of responsibility as individuals. But responsibility means work, and unfortunately too many of us have the natural tendency to leave it to the other fellow to do the job. The pass-the-buck or let-George-do-it policy has never been known to lead to great achievements. So, as I said before, let us teach by setting a good example first, and then by giving young people plenty of opportunities to assume responsibilities. They will make mistakes, as we have done, but they will learn, and in the process they will realize that they too have an important role to play in the aspirations of our nation.

With regard to fitness and amateur sports, I was interested in the remarks made by the Royal Canadian Legion's "Coaching Review" of June 1963, which had this to say:

> A fresh mind is quickening the pulse of Canadian amateur sport these days, giving it new initiative, leading, eventually to its expansion and development in the light of current needs and standards.

As part of that initiative the Royal Canadian Legion has launched its sports training program, with particular emphasis on improving the coaching and performance of track and field athletics. For some years the Royal Canadian Legion of Waterloo, Ontario has made a great success of promoting the eastern Canada track and field events, along with events in other places across Canada, and some time ago I had the great pleasure of taking part in the opening of the Kitchener public schools track and field event where 6,000 children were in attendance and over 1,000 competitors took part. Much credit is due to this committee for its outstanding success. Such events mean healthier boys and girls. Members of the Legion, like other sports-minded citizens, believe that track and field, and indeed, all sports, should be enjoyed at the bottom level as well as the top level.

For years the Royal Canadian Legion has made tremendous contributions to the welfare of our youth in various ways, and recently acquired one of the world's greatest coaches, Mr. Geoffrey Dyson of England, to carry out their sports training program. I had the pleasure, last year, of attending this program in Guelph, Ontario, and recently I attended the clinic sponsored by the Kitchener recreational council at which time this gentleman was in charge and later was guest speaker at the luncheon. To hear this man and to see him in action is a real treat, and inspired over 100 men attending this event. No doubt, such action by the Legion in securing the services of such a distinguished gentleman can be attributed in no small way to the $5 million fitness and amateur sports program brought forward by the previous government and passed by parliament and the other place. I sincerely believe that the national advisory council, made up of outstanding sportsmen and representatives of every province, along

with the superb coaching ability of Mr. Dyson, and men of similar ability will in five years or so put Canada in its rightful place in world sports activities, and more important, will develop generation after generation of young Canadians with healthy bodies and healthy minds.

I am pleased to see the minister take an interest in this sports effort, and I hope her future assistance may continue so that this fine program will expand to the point where our athletes may compete with the best in the world, and more important, where every Canadian youth may take part in order to develop a greater standard of fitness and a wider knowledge of sportsmanship, fellowship and friendship. I spoke a moment ago of Mr. Dyson. This great coach, who played a major role in developing in England a coaching elite second to no other country, and whose presence will have a profound beneficial effect upon Canadian coaches and athletes, mentioned that communities are interested in fitness for different reasons—such as health, military efficiency, national regeneration, racial and personal self-esteem, social accomplishment, character building and aiding mental activity. No doubt all these reasons have been and are being presented in support of programs of physical activity.

Speaking of military efficiency, it is obvious that governments which use armed force as an instrument of foreign policy cannot allow fitness standards to fall beneath a certain level. Pushbutton warfare has certainly not eliminated the need of physically fit troops, and military standards are still higher than civilian standards. In some countries the fall in fitness reached a critical point. For example, in the 1959 Berlin crisis, the United States government had to reject 428 men out of every 1,000 called up, for lack of physical efficiency. This was almost double the rate of the second world war. It is well known that fitness has both political and international implications. Politically, national fitness and sports campaigns can help weld nations together, particularly the United States, Canada and other comparatively young countries where people have come together from different backgrounds. This is very noticeable in my riding of Waterloo North where we have one of the largest cosmopolitan centres in Canada. This district has turned out some of the finest hockey players, golfers, football players, etc., and is certainly interested in fitness and amateur sports.

The former minister of national health and welfare, speaking in 1962, mentioned a growing spirit of nationhood. We find many countries in the world bringing forward huge expenditures for sports and fitness. France is one of these, and her aim is to check the flow of youth from country to town. Communist countries in particular have long recognized the political importance of sporting success. This is also true in England where in 1954, the British foreign office sent Roger Bannister to the United States immediately after his first four-minute mile.

We realize that today the best performers in sport are new ambassadors in a political sense, particularly with regard to sport, for sport is international and inter-racial. We realize that sports can also be used as an outlet for the natural tendency and desire, so deep in human nature, to prove superiority, but we must remember that superiority can be won at too high a price.

Having followed the program of fitness and amateur sport since its inception, I want to congratulate the former minister of national health and welfare, his staff and the members of the national advisory council for the splendid efforts accomplished in these few short years. I realize that many Canadians expected this program to produce wonders in a very short time and I might tell the minister that I am sure many people may well think it should do the same in the next few years, but it is going to take ten or 12 years to bring the program up to the mark. Let us work together so that the program may achieve the desired success.

As we know, many grants have been made to deserving organizations. However, if the federal government is going to assist the great majority of our youth in Canada with regard to fitness and amateur sport, and if the opportunity for gifted athletes is to be increased, these things cannot be done merely by grants to national agencies interested in national and international sports competition. The framework through which better coaching as well as fitness can be encouraged by the federal government will depend upon provincial and municipal programs as well as the contributions of sports bodies. This is of the utmost importance.

Under such a program we need the co-operation of provincial and municipal departments of health, education, welfare, municipal affairs and others and through provincial governments we need the co-operation of municipal recreation departments such as we have at the present time in my constituency of Waterloo North where such co-operation has developed a combination of coaching and training to strengthen and extend fitness and sports programs for all our young people, which I hope will be exemplified in every part of Canada.

In my speech on September 22, 1961, I suggested that our three realms of activity could be:

1. The provision of sports facilities, adequate playing fields, stadia, swimming pools, gymnasiums, tennis courts, and other training and competitive areas. These facilities would mean fitness for our youth.

2. The provision of competent coaches, something that is invaluable to our youth.

3. Direct financial aid to national organizations and teams representing Canada in international events.

The Legion has made a move in the right direction in the provision of coaches with their appointment of Mr. Dyson. The national advisory council, through the former minister of national health and welfare, has provided direct financial assistance to many worthwhile national organizations. Such a move has proven its worth, and from time to time I hope more grants will be made to associations which in turn will help their affiliates. I commend the minister for her recent grant to the Royal Canadian Legion and also to Father Bauer and his team from British Columbia, because it is of interest to me, as Father Bauer was born in my riding.

It has been suggested by well known sportsmen that at the present time we lack proper sports facilities such as playing fields, stadia, etc. Our future aim should be to improve such facilities so that our coaches in all sports will have modern buildings and playing fields strategically located in every province, where each province will have the opportunity of sharing in the cost of same.

For our physical fitness program many auditoriums could be used in our universities, colleges, schools, Y.M.C.A.'s, churches, etc..

These are some of my suggestions and thoughts, Mr. Speaker, with respect to a fitness and amateur sports program. I sincerely hope that the minister, along with her staff and the advisory council, will continue the splendid work undertaken by the former minister and those who assisted him. In this way we can look forward to a brighter future in fitness and amateur sports in Canada. As previously mentioned, we can put Canada in its rightful place in world sports activities and, more important, develop generation after generation of young Canadians with healthy bodies and healthy minds and a true understanding of sportsmanship, fellowship and friendship.

[*Translation*]

**Mr. Habel:** Mr. Chairman, I should like, through you, to extend my congratulations to the Minister of National Health and Welfare (Miss LaMarsh) for having been entrusted with such an interesting department. I hope that she will enjoy good health and have the courage to overcome the criticisms that are inevitably directed to the incumbent of an office entailing so many responsibilities.

I note that during the discussion of the estimates of the Department of National Health and Welfare, there is a great deal of talk about health insurance and that many members like to say over and over again that we should now have a health insurance plan, since this idea was advocated as early as 1919 in the program of the Liberal party. In this connection, I hope that the hon. member for Lapointe (Mr. Gregoire) will be able to follow me and to understand the situation—

**Mr. Gregoire:** I am not a follower.

**Mr. Habel:** He has just replied that he is not a follower. I know that he is not a follower, but I think that he would sometimes profit by following good ideas rather than ignoring them so often.

As for health insurance, we should take into account the fact that the Liberal government had advocated a hospital insurance plan and that during the years which followed, many difficulties had to be overcome with the provinces as well as with the hospitals throughout Canada.

One may think that such plans can be put into effect overnight but with due reflection, we realize that it is better to take all necessary steps and understand the situation before carrying out such plans.

**Mr. Gregoire:** Since 1919, that makes 44 years.

**Mr. Habel:** If the hon. member for Lapointe wants to be a bit patient, I intend to go back to 1919 and show him that, as opposed to certain members, who have their rights as I have mine, I chose to remain in the Liberal party rather than try to form a new one which would never get anywhere.

Mr. Speaker, I was dealing with the problems we have been up against in trying to set up a hospital insurance scheme. First, there was the matter of hospital beds, then the agreement to be reached with the provinces, not to mention the number of nurses. We must realize that the hospital accommodation necessary to meet a situation such as the one created by the acceptance of a hospital insurance scheme required some preparation.

I can say, without running any risk, that the former minister of national health and welfare, the present Secretary of State for External Affairs, found a way, in 1945, to get the cabinet to agree to a general plan to expedite payment of the grant to the provinces and hospitals that wanted to expand in order to be ready for the day when the hospital insurance scheme would be implemented.

For the information of the hon. member for Lapointe, I will point out that it was a five-year plan. In 1950, the plan was renewed.

Several hospitals in nine provinces took advantage of it and increased their facilities to be able to cope with the hospital insurance scheme.

Mr. Chairman, I should say in passing that in 1945—I was at that time a member of the provincial legislature—during the election campaign preceding the provincial election in Ontario, our leader advocated an insurance program. I myself campaigned in favour of an insurance plan with a nominal rate for each family.

However, the Conservative party in office at that time in Ontario opposed such a plan.

I do not blame them, and I do not say that they did wrong. The Conservative party was not ready yet to accept the idea of health insurance and throughout its election campaign it fought against the program advocated by the Liberal party.

Since the Conservative party had more members elected, it remained in power, of course, and did not establish any health insurance plan.

Therefore, from that year until 1957, the province of Ontario still refused to accept hospital insurance. It is only in 1957 that this province finally agreed to a hospital insurance plan. This goes to show, Mr. Chairman—I shall perhaps repeat myself in order to be better understood—that it might be argued that such things can be accomplished overnight but, all the same, they require years of preparation, because the government must take into account the expenses incurred through the establishment of those plans.

That is why I feel at ease to declare that those who readily repeat that the health insurance plan was part of the 1929 Liberal platform, forget to mention what the Liberal party has done—

**Mr. Gregoire:** War and taxes.

**Mr. Habel:** —while it was in power to prepare the country to put such plans into effect.

I just heard one of the members opposite saying "war".

**Mr. Gregoire:** And taxes.

**Mr. Habel:** The war, hon. member, was started by Hitler, the man who is admired by your leader, and not by the Canadian government.

**Mr. Gregoire:** I am speaking of taxes.

**Mr. Habel:** I can assure you of that.

Mr. Chairman, since 1927 the Liberal government managed to insert in the statutes of this country the pension with means test for needy people aged 70 and over. In 1940—I may be told that it is not health legislation—but it certainly has some effect on public health—in 1940, as I said, the Liberal party enacted unemployment insurance. In 1944, family allowances were introduced. In 1945, there was the first phase of the national health scheme subsidizing hospitals desirous of enlarging their premises, in order to be ready for the day when the provinces would accept hospitalization insurance.

In 1950, came the second stage; the department of national health offered a program of grants to any hospital willing to avail itself of it.

In 1951, the Liberal government introduced the old age security pension without means test, for anyone having reached the age of 70 and over.

In 1951, a pension with means test was granted to needy people in the 65 to 70 age bracket.

In 1951, there was the pension for the blind.

In 1954, we had the pension for disabled persons.

In 1956—and there is another thing which you might say is not directly connected with health insurance or with the Department of National Health, but which certainly has some effect on the health of the unemployed—there was the contribution of 50 per cent to the provinces to assist unemployed people who were not protected by unemployment insurance.

In 1957, we had the hospitalization insurance act which was passed and entered into the statutes of this country though I admit, that it was later enacted by the government elected in June.

Now, we must keep in mind, Mr. Chairman, that when the pensions act was introduced, it only provided for $20 a month. Under the following Liberal governments, and keeping pace with this country's development, as well as with the needs of the beneficiaries, those pensions were gradually increased to $46 per month.

I shall give credit to the Conservative government for having granted two consecutive increases; but—and this was quite remarkable—always on the eve of some election.

As far as we are concerned, we just granted another $10 increase—

**Mr. Pigeon:** But we do not tax people.

**Mr. Habel:** Immediately after the election, we granted another increase of $10.

**Mr. Pigeon:** Ours were granted without taxation.

**Mr. Habel:** As far as family allowances are concerned, Mr. Chairman, may I point out that in order to get the act adopted by this house, the then prime minister, probably after having consulted the members of

his cabinet, had decided to grant these allowances only up to the seventh child. In that way, he got the House of Commons to pass the act. Later, when the usefulness of the family allowances was well established, the same government brought about the necessary changes, in order to give to the parents family allowances for every one of their children, whatever their number. This proves once more that in that field, things must be brought about progressively, when the time is ripe for their general acceptance.

**Mr. Gregoire:** Slowly.

**Mr. Habel:** Slowly but surely, which is much more than anything you could do.

However, Mr. Chairman, that is why I feel that the day is not too distant when in the field of family allowances, the government will see fit to extend them to children who are at school, at least up to the age of 18, or even beyond.

As for the amount of the allowances, I believe that a readjustment would be in order.

**Mr. Gregoire:** That is very good.

**Mr. Habel:** But that adjustment must take into consideration the economic situation of Canada, and not the political fancies of parties without real responsibilities to shoulder.

**Mr. Gregoire:** As for us, we are fully aware of the true needs of the country.

**Mr. Habel:** I am amused by the "buzz, buzz, buzzing" of my hon. friends opposite. This brings me back in thought to the time when I was working on the farm, was cutting grain or hay with a sickle; I had to be very careful not to get stung by bees—

**Mr. Gregoire:** Or rather by "Habelles".

**Mr. Habel:** By bees which buzz in our ears, just as our hon. friends opposite.

**Mr. Latulippe:** You did not have today's equipment.

**Mr. Habel:** Mr. Chairman, I am told that we were not well equipped, that times have changed. Most certainly they have changed; at the time I am speaking about, the father of the hon. friend who has just interrupted me also worked on a farm, with equipment similar to mine. In my youth, however, people were not up to their necks in business, as my hon. friend is today.

Today, Mr. Chairman, I should like to make reference to the pensions for disabled persons. I am of those who believe that the regulations under which a person is judged eligible for the pension for disabled persons should be considered seriously by the provincial governments in order to remedy the present situation that a person has to be practically or completely helpless to fulfil the requirements.

For instance, I have in mind the case of epileptics. It is also recognized that some other ailments represent a continuous danger for the employer and the employee. But those people have a right to live like anybody else and, indeed, it is enough to be affected by an ailment or a handicap without also being deprived of the benefits of the disabled persons pensions act.

Therefore, I urge the minister to take advantage of the conference soon to be held to conclude an agreement with the provinces so that those requirements may be mitigated and so that the granting of pensions under the Disabled Persons Act for those people who cannot work but who certainly have a right to live may be facilitated.

Before concluding, Mr. Chairman, I hope that this government will find a way to correct the situation I just mentioned in order to mitigate the requirements in regard to the disabled persons pensions. I am also convinced that this government will find a way, in due time, to extend family allowances to the age of 18, if not further, in the case of children still going to school and, providing the economy of the country permits, to give back to family allowances the purpose for which they were set up in 1945 by a Liberal government.

[*Text*]

**Mr. Willoughby:** Mr. Chairman, I know we are all anxious to pass these estimates this evening if at all possible, and I can promise at the outset that I am not going to take up very much time in what I have to say tonight. I do wish, however, to take this opportunity to congratulate the minister on her appointment. While she may not have the most spectacular portfolio in the cabinet, or may not be dealing in astronomical figures which add up to billion dollar deficits, or may not be dealing with fantastic nuclear weapons or intercontinental missiles, she is dealing with the health of every man, every woman and every child in this country, and in my opinion she has one of the most remarkable portfolios in the cabinet. In addition to that, I must not overlook the fact that she is dealing with the finest profession in the world, the medical profession. I have every confidence that with her personality and great propensity for the truth she will not only carry on the work of this department but will add to and advance the great work it has carried out in the past and in recent years.

There have been great developments in this department in recent years, but we must

realize that it also has problems. There are big problems in the department; there are big financial problems and there will be greater financial problems. The outlay of the department does not reap any obvious dividends in financial returns, but it results in dividends in the health, happiness and welfare of the people of our country. These dividends cannot be estimated in simple financial returns. There is the problem of great scientific developments, which must be given careful consideration in every way by the department. This is no time for smugness because of the fact that this department has operated so well; and I hope and am sure that it will continue to operate well in the future. This is the time for us to look for greater progress and greater developments in this wonderful department.

As we all know, Mr. Chairman, there are two definite aspects of this department. There is the welfare department and there is the health department. It is difficult to know just where one stops and the other begins because they are so completely in the same field, that of the welfare of our people. I will not spend much time dealing with the department of welfare because it has been adequately dealt with by other speakers. However, I do want to say that in general I endorse all the welfare programs that are carried on at the present time, and I know there will be more that I will be able to endorse in the future. I recognize, however—as I think everyone in this house recognizes—that there are still many deficiencies in the department of welfare; there are many abuses of the privileges offered by this department. We must also recognize the fact that there must be improvements and adjustments as far as possible to overcome some of these deficiencies.

In regard to the health aspect of the department, Mr. Chairman, I know the question of hospital insurance was adequately dealt with by the previous government. This program was in operation for many years in at least two provinces before the present federal government saw fit to introduce it on a national scale. I congratulate the previous government for introducing this scheme, which I know has been of great benefit to the provinces in the institution of hospital programs throughout Canada. Hospital care is, without question, a most demanding field. I wish to draw to the attention of the minister the fact that with advancing treatments and methods the need for hospital subsidization in the future will increase, and increase rapidly. I see no hope of avoiding increasing expenditure in the field of hospital care. Scientific developments, advanced treatments and every field of medicine have meant that hospital treatment is becoming the only efficient treatment, and home care is rapidly becoming less and less. This trend will continue. The patient is recovering much more quickly because he is receiving better treatment, and I think it should also be emphasized that in hospital the patient develops a psychological attitude that is a wonderful asset in his treatment and recovery. This attitude results from the fact that patients do not face the fear of a large hospital bill at the end of their treatment. In the field of health we face the problem of an increase in life expectancy. I think the minister should consider very seriously this increase in life expectancy. This has resulted from better sanitation, better preventive medicine and better medical care. I have not the figures before me but I think I am giving a conservative estimate when I say that in the last generation our life expectancy has increased by about ten years. This means that we are entering the field of geriatrics, and the Department of National Health and Welfare will be faced with the problem of providing increased subsidies for the treatment of the aged. We must have more care for those who will be confined to homes for the aged. We must have increased subsidies for those who are going to be confined to nursing homes. At the present time I think that the subsidy provided for nursing homes by both the provincial and federal governments is much too low.

Now, what can we expect in the future, Mr. Chairman? I know the question of health insurance has been mentioned briefly here tonight. During the last election campaign this government promised that we would have an insurance plan as soon as they took office. However, I noticed this item was lacking from the speech from the throne. I realize this program is not something one should rush into as the government has rushed into some of the ill-conceived programs presented this session. I hope that this measure will receive considerable study before anything further is advanced.

I should like to try to dispel right here, once and for all, the idea that the so-called orthodox medical men, to whom reference has been made this evening, are against such a program. We accept the principle that health insurance is a good thing for the country and a good thing for the people, if it is a proper health plan. Now, what do we mean by a health insurance scheme? I know that in so far as the people of British Columbia are concerned, about 80 per cent are covered by a satisfactory private health scheme. Then, there are the people who are on social welfare who are covered; but there are about 20 per cent who have no coverage. This is the group that needs coverage. This 20 per cent, probably because they are not indigent and

therefore not on welfare, are not able to pay for proper medical services. I do not consider for one minute that it is necessary for the government to undertake complete medical coverage as long as the private schemes are satisfactory. I do feel there is a group in our population that requires government assistance. I know the medical profession is in favour of that.

I believe that at the present time the majority of people are satisfied with their private schemes. We must remember that there must be no compulsion on anyone to enter a medical scheme. There are people who, for different personal reasons, religious reasons or other reasons should not be asked to contribute to a medical scheme if they do not want to come under it. We have to give a certain amount of leeway to these people, and we should devise a scheme that will be satisfactory to them. We must have a scheme that is going to be satisfactory not only to the medical profession but to the people who will be covered by it. The people must have a free choice of doctor. The doctors must be paid for services rendered and, except in the case of those working for institutions, they should not be put on a salary basis. There must be no directives to hospitals, except in the case of hospitals financed by the government.

I come now to what I consider to be the most important part of my remarks—and I do not believe this point has been mentioned by previous speakers. I refer to the necessity for research. Never in the history of our country has it been so important for us to consider seriously the matter of research. Research is a great benefit to everyone; it is of benefit to the people who are affected and to the medical profession. It is important to the economic welfare of our country. Canadians are recognized everywhere in the world for their high professional standards. They are considered to be industrious people who work well wherever they may go. The result is that Canadian scientists are very much in demand throughout the world. I do not mean to indicate we should in any way discourage our people from going to other countries to study and get new ideas; I believe this should be encouraged in every way possible. However, we must make it worth while for these same people to come back to our country.

Over the last 15 years or so this country has been losing medical men at the rate of about 250 per year. This means that about five medical men per week are going to the United States alone. In so far as the nursing profession is concerned, the statistics present an even worse picture. Fortunately, however, some of these people return to Canada. There is a loyalty to their country that brings them back. When they do come back they bring increased knowledge and increased training to this country, which has cost Canada nothing. However, we must make it worth their while to return to Canada. It is for this reason I say research is important. Some of these people stay in the United States for personal reasons, some of them like the climate and some of them like to make 50 per cent to 100 per cent more than they would in this country. The most important thing is that there are better job opportunities in the United States, better research facilities and they have better working conditions. These scientists are more appreciated in the United States than they are in Canada. We have to make it more worth their while to come back to this country.

We have had good research performed in this country, some of it under very unfortunate circumstances. I had the privilege of personal acquaintanceship with Dr. Fred Banting and Dr. Best and I know that the conditions under which they worked in making that important discovery of insulin were a disgrace to our country. Of course, the situation has improved since then, but we have a long way to go yet, Mr. Chairman. I must congratulate the department for its recognition in the last few years of the need for more research. The figures I received today indicated that in 1956-57 the department was appropriating $1,729,700 for medical research in Canada. I am glad to say that last year this amount was doubled, and I ask the minister to see that this branch receives more encouragement. We have the men and women in this country. We have the facilities; so by increasing our subsidies we can do much work in Canada and we can make Canada one of the greatest medical centres in the world.

In spite of the problems we have at the present time in the field of scientific research we have put up a very creditable performance in some of our hospitals and laboratories. Let us find a way to increase this research, to discover the mysterious diseases with which some of us are afflicted today. Let us show the minister why cancer of the lung may develop when we smoke too much. I am sure that every one of us is interested in research, and I know we can do more in this field in Canada. There has never before been a time when we faced so many problems in research as we do today, and I feel this is the place where more can be done than it can anywhere else. By this research we can prevent illness, save suffering and cut down on hospitalization. This has been reduced considerably.

One of the most important developments due to research work has been in the treatment of tuberculosis. Many tuberculosis institutions have been closed up now, and this has saved money for the country. This illustrates that we can save money by spending it in the proper way in the research branch of our national health and welfare department of the government. I urge the government at this time to advance further this most important department. The rewards will be great, not only for the welfare of our country but for our economy as well.

[*Translation*]

**Mr. Perron:** Mr. Chairman, following the example of the previous speaker, I do not intend to take much of the time of the house to deal with the estimates of the Department of National Health and Welfare.

By the way, I wish to congratulate the minister (Miss LaMarsh) for her appointment as head of one of the most important departments. In fact, last week, at the time of the introduction of the said estimates, it was repeated again and again that this department was second in importance. However, if you study the budget for the financial year ending March 31, 1964, you will find there is a correction to be made, for the estimates of the Department of National Defence for the financial year ending March 31, 1964 amount, approximately, to $1,619 million and those of the Department of Finance, to $1,302 million. Now, as the estimates for the Department of National Health and Welfare amount to $1,204 million, it comes third, and I believe it is normal to make that correction.

Mr. Chairman, I am of the opinion it is very important to recognize the great principle that tomorrow's economy should be more and more distributive, since we live in a world that improves constantly in the field of science. In fact, the various discoveries give today easier access to material things, at least to the production of material things which meet the needs of the human race.

If we take into account the fact that 23 per cent of the budget for the financial year ending March 31, 1964 is devoted to the Department of National Health and Welfare, it must be recognized that this is very encouraging for the future, since health and sanitation are no doubt the things that should have priority.

Mr. Chairman, reference was made, a moment ago, to the fact that in today's world, it is high time that society, and more particularly labour classes, venture more and more into the field of social legislation.

In fact, we notice nowadays that upon reaching the age of 45, 48, 50 or 55, a man who has worked many years in a plant finds himself dismissed. Automation is taking over from him and he is often unable to find work that would suit his physical capacities or his insufficient training. Thus, he finds himself in a most difficult position.



We also notice that a great number of our fellow citizens are still too young to benefit from old age pension and on the other hand, too old to receive family allowances. Nevertheless, they are left with heavy responsibilities with regard to the education of their children who have started rather advanced studies.

That is why I am of the opinion that it is most important to go farther in the field of social security, from the standpoint of hospital and health insurance, family allowances and old age pensions.

During the discussion of the estimates of the Department of National Health and Welfare, we heard a lot about health insurance and hospital insurance.

According to the budget estimates, federal grants for hospital insurance and general health amount to $436 million. That is the share of the federal government for its contribution to various health or hospital insurance plans, in co-operation with the provinces that already have their health or hospital insurance schemes, some of which include medical costs.

If we analyse carefully this amount of $436 million, we find that the federal government spends about $75 a year per family as its share in hospital insurance plans, while the provinces who have such a plan have to contribute the same amount.

That means that between $125 and $150 for each Canadian family are spent on health insurance and hospital insurance in some provinces.

Now, I believe that if the same amount could be given out to family heads, to single people or to the older people who do not live with their families any more, each one of our Canadian families could get from companies operating in that field an insurance policy in case of illness and another one which would guarantee the payment of a salary during the stay in hospital of the family breadwinner; and that could be done for premiums of $125 or $150 a year.

We now have a hospital insurance scheme for the workers which guarantees, upon payment of approximately $10 a month, the protection of the worker and his family; if one member of the family falls ill, he can be admitted to the hospital free of charge and chirurgical expenses and visits by the physician are reimbursed.

I feel we should study the possibility of setting up for Canada a similar health insurance plan.

Of course some might say: Those amounts will be spent for things other than those they should be used for.

I will reply that the Department of National Health and Welfare could distribute to heads of family cheques for an amount equivalent to the actual cost of hospital insurance, which could be cashed only by companies or organizations specialized in the field of protection and for nothing but hospital insurance. I think that would cost less and families would get better coverage. Moreover, in many cases, it would enable them to get the physician they want, because you know what usually happens with regard to hospital insurance: to be admitted to a hospital, you must first prove to some official that you are ill enough to deserve a reservation for a hospital bed.

Therefore, I believe that the future health insurance plan should be studied from that angle to see if it would not be advisable to change the scheme which is already in the planning stage and taking form in our own province in the field of health insurance.

There is another very important side to the activities of the Department of National Health and Welfare, that of family allowances.

I believe everyone knows that it was one of the Liberal party's great promises; on the other hand, during the recent election campaigns, all parties stressed the need to review and amend that legislation so that it would better suit today's needs.

A while ago, the hon. member for Cochrane (Mr. Habel) gave us the impression he wanted to look back upon the past, and he went back as far as 1919 to remind us how this house had voted the Family Allowances Act.

At that time, the cost of living was much lower than nowadays, Canada was enjoying prosperity thanks to wartime activities, a very large number of family heads were able to earn their livelihood easily and properly by holding a position of some kind in our country, which was in full development in 1945.

If we consider the situation in the last five or six years, we realize that everything justifies a revision as soon as possible of this highly social legislation we have in the Family Allowances Act.

Mr. Chairman, as I said a while ago, it is sometimes sad for a family head to know that he is too young to receive a pension and too old to take advantage of family allowances. The father of a son aged 18, 19 or 20, who sometimes had to make great sacrifices to enable him to continue his education, is often unable, because he has lost his job, to keep his son in college or technical school, where he would graduate in two or three years.

We must amend the Family Allowances Act in order to extend the period of eligibility, perhaps until the child has completed his studies.

I hope that these suggestions will receive careful consideration; moreover they are consistent with a policy accepted and advocated by all the candidates during the last two election campaigns, for the problem of social security, pensions and family allowances was made much of at that time.

We also find under item "unemployment assistance" a federal government contribution of $110 million for social assistance to the unemployed, the disabled recognized as such, and those unable to provide for their own needs. One hundred and ten million dollars for the federal contribution. If we add to that the contribution of the different provinces, we get a very impressive amount.

But if we scrutinize the implementation of that legislation, we find that it is done with stinginess and even with discrimination.

Recently some of my constituents made certain representations to me concerning one of their fellow citizens who had benefited for nine years from the legislation for the blind and who, owing to obscure circumstances, after the last two elections, completely lost his claim to that pension in September 1963. In spite of representations which were made by both he and the head of his parish, the officials concerned seem to think that blindness is no longer a problem for him and that his eyesight is perfect. Yet, an optician who examined him told me personally: "That man will never recover sufficient eyesight to hold any kind of a job in industry or elsewhere." That is only one case out of hundreds.

I wonder if we should not also take a new approach to the distribution of purchasing power.

Last week the hon. member for Lotbiniere (Mr. Choquette) seemed to refer to a speech made by the hon. member for Villeneuve (Mr. Caouette) in 1947. I feel we should have allowed him to continue his remarks because, in 1947, there was some talk about the national dividend and the distribution of our country's great wealth under the form of purchasing power. In my opinion, if that suggestion had been accepted, we would have fairly ridden Canada of all such cases of stinginess and discrimination.

In the field of national health, Mr. Chairman, we must concern ourselves mostly with the welfare of those who need not only medical care but also a sufficient quantity of calorie-rich food to sustain them so that they may not need medical attention too soon.

Let us think of the 500,000 to 600,00 Canadians who, over the past 26 years, have

known the hardship which comes with unemployment. We could have increased consumption through a better distribution of the purchasing power, through increases in family allowances and old age pensions, and also by reducing the eligible age.

This would have been a real step towards social security which the people need more and more, like all human beings living in developed countries where scientific progress has taken place in the last 50 years.

I think that it is only natural that people are eager for security.

For the people in lower income groups who do not always get a hard-earned salary, because of unemployment, all this is very important.

I believe that all fields of social security should be examined during the discussion of the estimates of the Department of National Health and Welfare and that higher family allowances and for older children should be considered.

There is another field which, in my opinion, should be considered by the Department of National Health and Welfare, in co-operation with other departments if necessary, especially with provincial representatives, I mean amateur sport in the country.

We have in our province as well as in the others, various organizations, interested for example, in playgrounds and parish halls. I think that we should devote over $5 million to amateur sport. This higher grant should not solely be used to finance advanced studies, but should also be used for the improvement of instructors or other persons assigned to the organization of sport.

I think consideration should also be given to the advisability of a more active participation by the federal government and its closer co-operation with the provincial departments of welfare and youth in order to grant subsidies to already existing bodies.

I gave as an example the playgrounds association, the O.T.J. of the province of Quebec. I know that there are in the other provinces across Canada similar organizations interested in athletics but what I have in mind, is a training program in physical fitness to give our youth a sound mind in a sound body. Our older citizens must facilitate the access to organized games and promote the physical development of our youngsters who represent the future of our nation.

That is why I think that in the field of amateur sport, the Minister of National Health and Welfare could certainly make a contribution to the development of a brighter future for our youth in terms of national health. We must not forget that national health is a matter of prime importance in modern societies and that the future belongs to the fighting man who has faith in the future.

It is our duty to anticipate what tomorrow will be and to do that, we must give today to our youth the best of health because insecurity holds nothing good in the heart of the underprivileged and insecurity is too often the lot of our large families either in the farming or working class.

In my constituency, hundreds of families live on farms with an income utterly inadequate which does not even allow them to get the bare necessities of life.

In fact, it was proven that 97,000 farms in eastern Canada have an annual income of less than $1,200 a year.

I think that the Minister of National Health and Welfare should take under serious consideration a way to supplement those completely inadequate incomes by increasing family allowances, if we wish to avoid the worst for those for whom the future holds in store nothing but misery for them and their dependents. I can assure you that it is sometimes very difficult to prevent people from considering that the wealthy should share their possessions with them.

We all want to take steps to make sure that in this country, the homes of those who are afflicted with illness and social insecurity will at last find happiness of some kind.

I think that it is up to the Department of National Health and Welfare to take up the challenge in connection with our future and to devise a program capable of ensuring security for the majority of our citizens, for in a country endowed with enormous riches of all kinds, we must assume the responsibility of solving this problem by pushing back as far as possible the frontiers of destitution and disease.

I believe that we live in a providentially privileged country in this regard. We have well organized political structures and, in my opinion, with the co-operation of the Minister of Finance, the Minister of National Health and Welfare will be able to find a way to get all the money needed to accelerate the increase in family allowances and the improvement of the old age pension scheme by lowering the age limit at which they become payable. Thus, a more prosperous and a more promising future will be in store for us.

[*Text*]

**Mr. Herridge:** Mr. Chairman, I wish to make a few observations on these very important estimates which provide for the expenditure of over $1,200 million. I am one who believes that federal-provincial conferences that will deal particularly with problems relating to our human and natural

resources will be the foundation upon which we will build national unity in this country. I am convinced that the discussion of these practical things relating to human beings and the development of our natural resources in these conferences will bring about a great deal of understanding, and I think that has already been demonstrated to some extent by the conference of ministers on resources. I trust that all involved in the coming federal-provincial conference will reach agreement and come to conclusions that will be to the advantage of all the Canadian people, regardless of the province in which they live.

I want to extend my sincere congratulations to the minister on her appointment. I remember when she first came to the house as a neophyte, shall I say, on the opposition benches. It was not very long before she demonstrated by her debating ability, her vigour and her activity that she had a contribution to make to the house. In addition, she was the first lady member of the standing committee on veterans affairs. I do not know what some of the old boys I served with in the first world war would have said if they had known that veterans would wear petticoats in years to come. Anyway, it is a sign of the times, and she was very interested in veterans affairs. I wish her every success in the administration of her department and all she undertakes to the advantage of the people of Canada. I am sure she will not be content to be the ornamental apex of the broadly based department she administers.

I also wish to pay my tribute to the staff of the department both in Ottawa and in other places. I have had occasion to inquire about problems relating to senior citizens, medical questions and things of that sort, and so far as I am concerned I must say that the officials have taken every trouble to provide the information, although sometimes it is not easy to collate all the information some people seek. I have been here a good number of years, Mr. Chairman, and I cannot let the estimates of this department pass without making reference to the contribution to the department and to the Canadian people that the lady secretary of the department has made throughout the years.

I am not going to waste the time of the house by repetition, but in a sentence or two I do want to support the pleas made by previous speakers for the establishment of a national health insurance plan, something that this party has been urging for years. We hope that the developments that will occur in connection with the pension plan, and the developments that have occurred in some of the provinces in this connection, will spur the government on to take the bull by the horns, as it were, and give some leadership in connection with a national health insurance plan.

I want to say a word or two about welfare before going on with my other remarks. I remember the welfare that existed when I was a boy. It was known as parish relief. If you were down and out and almost starving you could go to the workhouse. If you were able-bodied you worked on a pile of stones splitting flints that were crushed into the macadam roads of Great Britain. This was the way welfare was administered, and the situation was very similar in this country in the early days as far as the meagreness of welfare is concerned.

We have come a long way since then. Now we are in most unusual circumstances compared with years ago. We find that the majority of people in Canada, including the rich and the poor, now support the welfare state. But these people support the welfare state from two different motives. I have talked to prominent industrialists who expressed their support for all types of welfare legislation. You will find them acting as officers of welfare concerns, local committees, and so on. While in some cases there is a touch of humanitarianism in this, I have talked to some of these people who considered it was good business. They can pay welfare benefits today that they could not years ago, and all because of increased production. They consider it is really good insurance against social revolution, and also for the maintenance of the capitalist system.

In that connection I want to quote briefly from *Maclean's* magazine, October 6, 1942, which had a very interesting article dealing with developments with respect to the former government. On page 76 I read this:

> Nothing in this classically competitive business history would lead you to suppose that some of McCutcheon's ideas might alarm a dogmatic capitalist, but such is the surprising case. A caption in the Toronto *Star* of September 30, 1957, read: "Praises Canada's drift toward welfare state."

Just imagine a multi-millionaire making a statement like that 25 or 30 years ago. He would have been kicked out of the establishment.

> The account of a speech McCutcheon had made to the Canadian club followed. "Relating...the vast expansion of government and voluntary health and welfare programs, (McCutcheon) said, 'You might expect me as a businessman to denounce this whole movement...as a dangerous if not to say pernicious thing. On the contrary, I regard it not only as one of the greatest achievements of private enterprise and a modern industrial society, I consider it necessary to the continued existence of both.'"

That is the point of view of many of the wealthier people who support welfare at this time. Mr. Chairman, my colleague says I mentioned 1942. I misread the date; it is 1962. Of course my colleague is very fond of exactitude in small matters.

Now, Mr. Chairman, that is not our point of view. We look upon the welfare state as paving the highway to social justice for everyone, and not as causing some people to suffer in perpetuity human indignity by being kept on welfare in the sense of the persons I have mentioned. We mean that the welfare state should provide for every child in the country, regardless of place of birth or economic circumstances of the parents. We believe that all able-bodied men should be provided with employment at decent wages and in proper working conditions. We believe that all Canadians are entitled to decent housing, and to protection by national welfare against the hazards of ill health. We believe that our aging citizens are entitled to retire in comfort with a measure of security. We do not look upon this as subsidizing human beings to stay on the shelf because they are no longer of use in the society in which we live. We believe in human dignity and opportunities for all according to their physical and intellectual development.

I listened with interest to the speech made by the hon. member who represents Kamloops. He is a member of the medical profession, and I heard with particular interest his references to the need for greater research in many aspects of health and welfare. I heartily support those remarks. I do not intend to repeat them but I have had this brought to my attention by persons in my own constituency, by local groups interested in the problem of rehabilitation, particularly of children and juveniles, and I support their pleas for wider, more expanded research into all aspects and all problems relating to the development of a sound policy within this department.

I now want to say a few words about the pension plan. Our hopes were raised very high during the election period, and we came here with great expectations and anticipations. Because of circumstances that have developed this delay has occurred; however, as a result of this forthcoming conference I hope this will provide an opportunity to develop a sound plan related to the circumstances of the times.

I fully appreciate the opposition the government has received from some quarters to a national contributory pension plan. I am not sure whether I should have said that, or whether I should have said a confederation contributory pension plan. Anyway, you know what I mean. Mr. Chairman, my colleague is again correcting me in matters of minutiae: It is the Canada pension plan. There is nothing like having a prompter behind the wings. He should have been on the stage, or behind the back door but out of sight.

[Mr. Herridge.]

Anyway, we all know there has been strong opposition, and I want to give credit to the minister for the stand she is taking in placing the broad outline before the house in the form of a resolution, and not backing down one iota. She is not given to easily changing direction because of the zephyrs slight political winds and things of that sort, and we wish her well in standing her ground.

In that connection I would like to quote a cutting sent to me by some of my constituents who are interested in this question. It is an editorial from the *Star Weekly* of recent issue. It is well worth reading into the record, because in my opinion the person who wrote the editorial sized the situation up very well indeed. It is headed, "Big finance fights pensions"—we all agree with that—and states:

> Powerful interests have begun a mighty lobbying campaign against the Canada pension plan now before parliament. They are the insurance and trust companies which control the huge funds built up under private pension plans.
>
> The Canada pension plan offers more, to more Canadians, than any private plan or any combination of private plans can give them. It will cover almost every employed worker in Canada unless he lives in a province that stays out, as Quebec will.

According to this editorial.

> After it has been in effect 10 years it will pay a man aged 70, who has been earning $77 a week, a pension of $175 a month. This is a far quicker build-up to maximum than private plans, which might take 40 years to reach this point.
>
> Some of what the insurance interests are saying is plain hogwash.

That is a rather plain word.

> "Canada is looking into the jaws of an economic catastrophe," says one document. Others use more skilful arguments and figures. Among the main points the insurance men attack are:
>
> The cost. Contributions from worker and employer will not exceed 2 per cent of wages (up to $77 a week) for the first 10 years, then will increase. Government actuaries have worked this out extremely carefully, allowing for the proportion of old people there may be in the population.
>
> Very fairly they give both a high cost and a low cost. In the year 2050, for instance, they reckon that, on optimistic assumptions, the plan will cost only 4.38 per cent of wages. But on a pessimistic basis they say it might cost 8.84 per cent.
>
> Opponents have immediately seized on the highest figure and some even say, without giving any facts, that the cost will really be much higher.
>
> How much pension? Insurance men say the plan "overpensions" people.

Isn't that a frightful cry—they actually overpay pensioned people. To talk of giving our older citizens some measure of comfort is absolutely atrocious in their point of view.

> Even with an extra $75 of old age pension for a wife, a couple will have only $250 a month at most. Many will have less if they retire early or don't earn as much as $77 a week when working. Is this too much pension?
>
> Pay as you go. The argument against this part of the plan is that because it pays pensions out of contributions as it receives them, it is destroying an important part of our savings system.

That is an insurance company's point of view. They have been collecting the savings, keeping the profits and investing them wherever they saw fit, without any thought being given to the best advantage of the development of this country, and in some cases investing them in foreign companies to quite an extent.

The building up of funds under private plans provides money for businesses to expand and helps the country to grow, this argument goes.

What the Canada pension plan's opponents do not say is that the United States has had a similar pension scheme since 1937 and that there private pension plans have gone on growing alongside it and providing billions of dollars for investment. There's no reason why this shouldn't happen here too.

Then, as a clincher, the insurance men ask that the plan be delayed so there can be full discussion on it. We believe that its details should be carefully checked, possibly by the House of Commons banking committee. Now that it is proposed to bring the present $65 old age pension up to $75 without waiting for the Canada pension plan, an extra two months' delay won't do any harm, and a lot of improvements may be made in that time.

What the big financial interests fighting the plan want is not just delay. They hope to kill it dead. In the interests of security and decent comfort for our old people at the end of their working days, parliament must thwart their design and establish the Canada pension plan.

I give full credit to the editorial writer of the *Star Weekly* who wrote that article. He has done a service to Canada to state the situation in such clearcut language. As I said before, I trust that the coming conference will bear good fruit in respect to this pension plan, and once again I wish the minister, the other members of the cabinet and the officials attending the conference every success in their negotiations in this respect.

Now I want to say a few words about the Disabled Persons Act. I am trying to be as brief as possible, Mr. Chairman, but it is very difficult for me to get the floor on some occasions. In the first place, I am a modest person—

**Some hon. Members:** Oh, oh.

**Mr. Herridge:** —and I often get outbidded, and that sort of thing. I do get it on Thursday and Friday nights occasionally. First of all, I trust that agreement will be reached on this matter so that these persons will soon receive the extra $10 that is being paid to those under old age security. I mention this because I have had quite a bit of experience with persons in my own constituency who have made application for disabled persons allowances. I am convinced, as the result of my experience, as the result of talking to the board in Vancouver and talking to half a dozen doctors who are very interested, that many of these persons have been denied these allowances as not being unemployable, when they are completely unable to earn a living. I know two or three cases where they are completely unable to earn a living, and I simply cannot understand why the legislation permits this sort of thing. I have talked this over with the board in Vancouver which administers the allowances. They showed me a huge volume of regulations. Without a doubt their hands are tied by the present regulations, which I presume were drafted as a result of negotiation between the federal and provincial governments. I have talked to a number of doctors who were simply amazed that many applicants have been denied the disabled persons allowances, and I have talked to the persons directly affected and their neighbours.

In the opinion of this group, Mr. Chairman, the disabled persons allowance act needs amending at the earliest possible date, and the regulations to it, in order to give effect to the principles, of the act as we understood them when they were passed in this House of Commons some years ago.

**Some hon. Members:** Hear, hear.

**Mr. Herridge:** I am very pleased to see that I am drawing applause from Progressive Conservative benches and—is it the Social Credit rally or the Social Credit party? Anyway, I am drawing applause from both of them and I think I am doing very well. In concluding my remarks, Mr. Chairman, I want to say a few words about fitness and amateur sports grants. I give credit to the former government for this program. This was an excellent piece of legislation and is a very worth-while project indeed. I have had some experience with this program throughout the constituency. I live in a riding in which the Royal Canadian Legion has some 12 branches and many of them are quite strong in their membership. Throughout the whole district there is intense interest in physical fitness, in field and track sports, team sports, and so on.

The Royal Canadian Legion in Kootenay West has worked very hard in the last five years. They have a coach who is a former Olympic champion—this man is resident in Rossland—to build up interest. There has been a great deal of interest built up in the schools, among the parents and particularly among the children who are directly interested and participate. Already we have developed two or three track and field athletes of national calibre and we expect some of them to be competing in the next Olympic games. This program is of great assistance in this respect. I wish to compliment the minister and the government for the grant made to the Royal Canadian Legion. It is a step in the right direction. I am sure

that because of the results, knowing she has a warm heart, next year the minister will increase this grant. This provides an opportunity for co-operation between the federal and provincial governments and between particular organizations throughout Canada, both at the national and local level, to do something worth while, to develop physical fitness among our young people, develop amateur sports and so build for the future of Canada a healthier, a stronger and, I trust, a wiser generation.

**Mr. Cowan:** Mr. Chairman, I welcome this opportunity of speaking a second time on the estimates of the Department of National Health and Welfare as I have two thoughts that I would like to advance, both of which I think are for the national good, under the headings of health and welfare. First I should emphasize that I am a non-smoker. I have not indulged in the habit since corn tassels and toilet paper went out of style. When I say toilet paper, that was in the days before Facelle toilet tissues were made in my riding of York-Humber—and I mean toilet paper. I thought the habit rather disgusting at that time and have never taken it up. As a non-smoker I would like to urge that this conference on Monday and Tuesday be thrown open to the public and the press. I sincerely believe that the more publicity there is given to this conference, the more effect it will have on the young people of the nation and it will influence many of them to not take up the habit.

I have been 40 years in the newspaper business and I know how much attention is paid by newspapers and periodicals to a mere press hand-out from a conference held behind closed doors. If the conference is in the open, the press, radio, and possibly television, will give it wide coverage and the import of the deliberations will be broadcast from coast to coast. I would like to see the conference given as widespread publicity as possible.

Having incurred the askance looks of my hon. friends from Norfolk and Durham, where tobacco is grown in large quantity, because I favour publicity that may retard this habit, I would point out that I have a large number of variety stores in the riding of York-Humber which could take offence at my remarks, and I would now like to make an effort to placate them. I am a non-smoker and I am in this House of Commons a great deal for the simple reason that I do not find it necessary to go behind the curtains from time to time or go into the members' lobby, nor do I walk around the parliament buildings, in order to indulge in the habit of courting lady nicotine. We have certain members of the press gallery who are here a minimum of time, possibly 30 minutes a day, who retreat to their warrens on the third floor and write lengthy articles pointing out the terrible attendance of the members of the House of Commons. But they do not point out when they are writing those articles that they themselves are not in the House of Commons, and they do not give the members of the house credit for leaving the chamber for the same reason they leave the press gallery, namely to work in their offices or to smoke in various places and various postures.

I would point out that when I came into this chamber this evening I counted the number of Liberals sitting in the members' lobby and I would report to you, not with any great degree of pleasure, that there were almost as many members in the members' lobby or behind the curtains enjoying themselves, under the heading of "welfare", as there were in this chamber. This is a small item of news for the hon. member for Grey-Bruce, if he wishes to know where we are most of the time.

I should like to make this suggestion in all seriousness, bearing in mind the fact that I personally am not addicted to this habit of smoking, that you would have double the attendance in this chamber after orders of the day if smoking were permitted here. Some newspapers are keeping box scores relating to members' attendance in the house. I have a better than average figure because I do not smoke and I am in the house a great deal. Many members go out to smoke. I do have a tremendous number of friends who indulge in the filthy habit and I do not think any worse of them than I do of my friends, like the hon. member for Niagara Falls or the hon. member for York West, who set a non-smoking example which all members do not always follow. We would like to have smoking allowed in the House of Commons so that a large number of members would come in here and see the example set by the Minister of National Health and Welfare, the hon. member for York West and the hon. member for York-Humber, and then they might come to the conclusion they must give up smoking following the realization that lung cancer is staring them in the face.

**Mr. Enns:** Having heard this rather humorous dissertation, Mr. Chairman, I am wondering if my somewhat sober remarks will be listened to at all. Actually, after the comments made by these speakers this evening, I would think the minister, as head of the department, would realize that her estimates could not be reduced because each speaker has advocated an increase in the various programs that have been discussed. I am thinking of disabled persons allowances, and

so on, which it has been advocated should be increased. Actually, I can support this myself.

Various references have been made to the health insurance plan. It was rather a curious experience to hear an hon. member opposite—I cannot recall his constituency—speak in favour of health insurance and speak also in favour of proceeding slowly. During the election campaign, this was one of the things that was promised immediately. We were told we would have this plan as soon as the Liberals took power. It is not necessary for me to remind the committee that our party is not opposed to medical insurance. In fact, it was our party that initiated the commission, under Dr. Hall, to study the whole question of health services. This would be the basis for an adequate study of any program of insurance. I think this is certainly a very sensible approach to this vast problem.

In introducing the estimates the minister stated that better than 19 per cent of the federal budget is required for health and welfare. I think translated into other terms this statement speaks of the high quality of services the Canadian people receive from this significant department. When I recall that this department has not yet existed for 20 years and has already reached the point of requiring such a share of the total expenditure, I must compliment the minister on accomplishing this degree of service to Canadians.

I noticed in the estimates provision has been made for an increase in welfare grants. I was interested in the cumulative spending for research, welfare grants and health grants. The whole grants program of this department is a great thing. While the amount in the estimates has been increased from $250,000 to $500,000, I think in this present day and age, when it can be said that 90 per cent of the scientists who ever lived are still alive, and when the statement is made that knowledge doubles itself almost every ten years, the government needs to recognize that there has to be some impetus, some encouragement given to the development of better trained personnel. This is especially true at a time when the cost of higher education seems to be increasing as well. I would admonish the minister to give thought to an even greater increase in the grants program.

Mention has been made of the pension plan. It is a source of some sadness to me that the plan had to be introduced in such great haste and therefore has now had to be shelved, at least temporarily. I, personally, and I think most members of the house, are in favour of a pension plan that has been solidly conceived and one that will be workable, because there are many individuals who are not covered by private programs about which we hear so much. There is one theory advanced that would solve our whole problem in this area, and that is that as long as the economy increases at the rate it has, and the productivity keeps increasing at the present rate, the standard of living of Canadians will be doubled in one generaion, or 30 years. In this way, the problem of welfare would more or less resolve itself. If this were so, it would lead to the rather tempting solution of simply sitting and waiting until the economy of the country reached this point.

Of course, this is not possible, nor could it be. I was, therefore, reassured when the minister said in introducing these estimates that we would, of course, have to spend whatever is necessary to assure Canadians of the highest possible standard of health. She assured the committee that there would be no skimping in this area. I am reassured by this kind of statement because I feel in the years to come the department will really enlarge its expenditures as it will its services. All studies indicate that the theoretical possibility of the poor disappearing, through this formula I just mentioned of the standard of living doubling, does not work. If you do some reading in this field, I would refer you to studies made in the United States, a country which claims the average level of income per family is something like $7,000 per year. In spite of this rather high level of income, it is still possible to speak of the mass phenomena of the poor in that country. There have been many books written on this subject, but I would like to refer to the book written by Mr. Michael Harrington which he calls, "The Other America; Poverty in the United States". This certainly points up that this faceless group has no real representative in our society.

Just where to draw the poverty line in Canada is something I would not want to undertake at this time because so many things have to be considered. According to a recent census, over half of our single persons earn less than $2,000 per year. If you want to apply this to families, I think the figures show that something like 40 per cent of the families earn less than $4,000 per year. Now, whether we can consider this to be the poverty line or not, I am not too sure. I put it to the members of the house to try to establish just where we would be in attempting to provide the many needs of our families if we had only $4,000 to buy education, to buy clothing, shelter and the many other things a family requires. I say, therefore, that a great awakening of the public conscience is necessary to the fact that we are far from

an affluent society, in spite of the fact we enjoy one of the highest standards of living in the world.

If we live in the suburbs, I believe it is quite easy to be convinced that we do, in fact, live in an affluent society because the poor have a way of disappearing. They are confined in crowded, miserable housing in the centre of town and many of us hardly even notice them.

Another reason they are becoming invisible is because many of them are at an age where they are quite isolated from the rest. Some are over 65 years of age and the dependants of those families with limited incomes to which I referred are under 18 years of age. These groups are not very vocal in our society, yet most of the services of the department are directed at them. The book to which I referred, "The Other America" by Michael Harrington, has this comment:

> And finally the poor are politically invisible... They are without lobbies of their own; they put forward no legislative program. As a group they are atomized; they have no face, they have no voice.

One of the biggest causes of poverty, I suggest, is unemployment. We know that much of the complexity of this problem of unemployment cannot be blamed entirely on the lack of government programs, although the government shoulders a heavy responsibility to provide increasing opportunities for employment. But it seems that the human race no longer fits society. Here I should like to quote from the September 1962 issue of *Harper's* magazine, an article entitled "The Stupidity Problem"—an odd term—by Mr. John Fischer:

> The human race—or anyhow that sample of it located in North America—no longer fits the kind of society it has to live in. Our society just does not have any jobs for certain people. If it continues to develop along its present course, the numbers of such unemployables seem likely to grow rather rapidly.

Then he goes on to outline the difficulty of finding employment for all, especially those less adequately suited for the complex jobs of today. Then he concludes with this comment:

> For we have apparently built ourselves unintentionally, and without realizing it, a society which calls for a distribution of intelligence entirely different from that which God provided. It remains to be seen whether we can make it work.

Indeed, all the resources of health and welfare, of housing, education and employment, will have to be applied to see whether we can really make our society work.

Why do I show concern in this area? How well have we done up to now? I should like to use educational achievements as some sort of measure. If it is said that this is not really a proper yardstick to use when discussing the estimates of the department of health and welfare, I suggest that education is very much tied in with health and welfare. For example, how many of us know that more than 200,000 adults in Canada have never gone to school? Do we realize, Mr. Chairman, the employment problems facing this group? Some 870,000 Canadians did not get past grade four. There are other figures to show that 70 per cent of unemployed men at the present time have no more than grade eight education. The national employment service tells us that if you have not at least grade eight education you are ineligible for more than 70 per cent of the jobs available. Finally, there are something over 7 million Canadians who have never completed high school. When we look at the various qualifications now expected even of office boys, where it seems matriculation is mandatory, we can see the complexity of the problem which faces anyone who attempts to find a solution to the unemployment question.

Obviously we have failed somewhere along the line. One of the chief reasons is that we look too closely and too critically at the cost of health services, at the cost of welfare services, and at the cost of education, while ignoring the fact that the cost of failing to spend money to provide adequate health, welfare and education services is much greater. What is the cost of unemployment, for example? What of the frustration of the people who cannot find work? What about the enforced idleness, the loss of purpose and self-respect, or even the loss of hope and faith? There are even more tangible indicators of the effects of unemployment, such as the loss of homes through mortgage foreclosures, development of delinquency, and I can name many others. In comparison the provision of welfare services, work projects and other measures to stimulate the economy is clearly a lesser price to pay. What about the cost of sickness, pain, suffering, chronic incapacity and loss of income owing to inadequate medical and health services? Society as a whole, as well as the individual who is ill, pays an enormous price for the burden of illness. Beside these costs the price of adequate health services is surely small. What about the cost of ignorance, of reduced job opportunities, frustration, long hours of drudgery, perhaps even unemployment, and even more important, failure in the fulfilment of life? If we are wise we will pay for health and welfare and adequate educational measures simply because we cannot afford ignorance, sickness and personal misery.

This leads me to three specific proposals I should like to put forward. One is in the area of health, and this is not a proposal which has not already been discussed. It advocates

the implementation of a properly thought out health insurance scheme. I read the report of the department for 1962-63 and was interested to see that something like 98.7 per cent of all Canadians are covered by hospitalization schemes. What a difference that is when compared with the less than 50 per cent who receive coverage through a medical insurance scheme at the present time. I say there is great need for a health insurance scheme which will be acceptable to the medical profession. It must be a scheme that will still be locally and regionally controlled, and various methods of financing must be well considered before it is put forward. I am looking to provinces like Saskatchewan, and Ontario which is contemplating a scheme, and also Alberta. I am hopeful that Canada will before long develop, in the same way it developed a workable hospitalization scheme, a health insurance scheme. I think it is unfair that medically indigent people are dependant on the charitable inclinations of the medical profession to provide adequate health services. In the area of welfare I look with some alarm at the complexity and diversity of the numerous schemes at the present time serving the people. For example, I think of the workmen's compensation act, veterans pensions, unemployment insurance, family allowances, mothers' allowances, disability allowance, allowances for the blind and disabled, and the various old age security pensions, veterans allowances and general assistance. Surely there must be a way of simplifying this maze of different programs jointly financed by federal money, provincial money, municipal money and voluntary schemes.

This leads me to advocate a social security plan which will funnel these individual programs into one scheme. The saving in administrative duplication would be considerable and the service to the entitled recipients would certainly be enhanced. I am hopeful that some of the recommendations of the Gill commission can be considered in the wider application and development of a social security program. So any social security program should be preceded by careful study of the conditions which exist under present provisions, before its implementation.

The third and last suggestion I wish to make has to do with education. I make it with reluctance because I do not wish to lay upon an active minister and upon a department which already has many diverse functions, yet another burden. Yet I feel there has to be a branch responsible for the field of education at a national level. We hear much talk about the need for granting scholarships, about increasing demands for university grants and the requirements of the vocational and technical training program. All this has to do with education. There is another problem which confronts many families, including particularly the families of service men and others in our society who are becoming less and less rooted. In many cases their children encounter setbacks, not because they lack ability but because they suddenly encounter a school curriculum or program which is completely different from anything they had been undertaking previously. For this reason I think a branch should be set up to deal with this aspect of the educational field and that the department should be renamed the department of health, welfare and education.

**Mr. Nesbitt:** I did have a lengthy speech prepared on a number of topics but in view of the hour, and in an effort to co-operate with the minister, I will shorten my remarks as much as possible. The first thing I should like to bring to the hon. lady's attention is the question of blind pensions, disabled persons allowances and old age security payments. As a number of other members have mentioned, we hope that all those people in receipt of these payments will soon get the $10 increase. I hope the government will bring in legislation accordingly at an early date because these people badly need the extra allowance.

There is another matter I should like to bring to the attention of the committee. I know it has been discussed over the years in this chamber. I know it was being discussed ten years ago. It is the question of removing the means test as a condition of payment of pensions to the blind, and I think the minister should give careful attention to this principle not only as it applies to the blind but as it applies to disabled persons allowances. The application of the means test necessitates certain administrative expenditure and, in addition, it is embarrassing to a number of the applicants. People who are blind are deprived of a valuable physical asset when it comes to earning a living. Through no fault of their own they have probably not been able to make a living as well as the rest of us, and for this reason we should help them out by compensating them in some small way for the loss of a valuable physical asset. It is true a number of blind persons may be able to make a living, but they are not able to do so as well as if they had not lost their sight. I feel that in all these cases an allowance should be granted without a means test being applied. I know there may be some who have lost their sight and who do not really need the allowance, but the same could be said in this particular respect of some of those in receipt of old age security benefits. The great majority do, and if payments are made to a

few people who are affluent, it must be remembered that the money usually goes back in taxes, anyway. I understand that most blind persons in this country lost their sight at a very early period in their lives.

As far as the payment of disabled persons allowances is concerned, the same principle should apply, though we should perhaps bear in mind that these people may have become physically handicapped later in life and would therefore have had a better opportunity to earn a living than most blind persons. Perhaps, in these circumstances, a regulation could be made specifying that if the handicaps had occurred prior to the age of 35 the payment should be granted without a means test. In cases where the handicap was sustained beyond that age, the means test would continue to apply.

With regard to the disabled persons allowance, the hon. member for Kootenay West brought certain complaints to the attention of the minister and I want to re-emphasize what he had to say. Most members of this house have had case after case brought to their attention involving persons who are very ill, who cannot work, and who, in all probability, will never be able to work again. But when they apply for the allowance their applications are turned down because they are not considered to be totally and permanently disabled. Apparently, under the regulations as they now apply, if there is the remotest possibility that a person may be able to move again he is denied this type of allowance. I am sure this was never the intention when the legislation was passed. Possibly the situation has come about because of the way in which the regulations are enforced by the federal and provincial authorities concerned.

I hope the minister will give this situation a careful second look. I could mention dozens of cases of this kind which have come to my attention. These people are totally disabled, but they are told that because 15 years later they may possibly be able to walk again, the allowance cannot be granted. Then there are those who are permanently, but not totally disabled. A man might be able to work with his left hand. This is a kind of argument I have had brought to my notice time after time. The officials say: We would like to do something, but the regulations do not permit us. Once again, I suggest the minister give this situation her close attention.

I should like to turn briefly to consider what might be done with regard to a new type of food poisoning which has been in the news of late, an extremely rare type of poisoning known as botulism. There have been several instances of it lately and I hope the minister will consider advising the food and drugs division of her department to see that warnings are passed to those who are processing food and to make sure a plentiful supply of antidote is available for the treatment of those who do contract this illness. The cause of this illness is a type of bacteria which occurs, I am told, in non-acid foods only, in the absence of oxygen, as, for example, when smoked fish is wrapped in cellophane and left for some time in storage. The unfortunate thing is that this type of food poisoning is not easy to avoid because the food affected is unchanged as to taste, odour and colour. People have no warning that they are eating contaminated food. I hope the department will do everything it can through education and publicity to make the public and others concerned aware of this problem. I hope, too, that it will keep a careful check on food processing plants, particularly those handling foods which are wrapped in cellophane and which may be stored for a while before they are used.

To turn to another subject, I wish the minister could give us a brief report, when she replies, as to the present situation with respect to the analysis of samples of radioactive materials which have been collected in Canada and around the world. I am sure she knows that a few years ago the United Nations was interested in a project of this sort. It still is, as I gathered when I was in attendance there not long ago. Samples of air, soil, water and food were collected by various countries. Canada offered to analyse these samples for countries which do not have facilities for doing so. Ghana, Burma, Pakistan and one or two other countries have sent samples to Canada to be analysed. The information is collated and sent to the United Nations so that we can keep track of radioactive fall-out in Canada and in other parts of the world. Maybe people think they know how long this material stays aloft after these explosions but we have all read reports of live material falling in large quantities in northern Canada and perhaps elsewhere, and we do not know how long it stays up. There have been a good many guesses but I understand nobody really knows how long it stays aloft, what happens to it when it comes down and in what concentration it does come down.

It is true there is a nuclear test ban treaty at the moment but one can never tell when the treaty might be broken. We hope it never will be. In any event, from previous tests in the atmosphere we know that this material is still coming down and we would like to know to what extent. I know we are supposed to be analysing samples from these other countries and I hope the minister can give us some information.

Finally, on the subject of tobacco I understand the minister is helping to convene a conference in Ottawa next week on cigarette smoking and the allegedly attendant evils. From all the information we have available it seems pretty clear that cigarette smoking does do some harm to people by causing some varieties of heart disease and arterial disease, and apparently it is a contributing factor in certain forms of lung cancer. I draw the minister's attention, as I am sure some of her colleagues already have, to the fact that the tobacco growing industry in Canada is a $100 million a year business. If basic research is not going on already in the laboratories that come under the minister's jurisdiction, I hope that some will be carried on to try to find what the agent is in cigarettes that may produce cancer, and if that agent can be found to exist then I hope some way of removing it can be devised. The industry is far too big a one to toss overboard without making some effort to save it. If there is some substance in cigarettes that causes cancer, let us try to find out what it is and try to find some way of removing it. I am sorry to take so much time but there were a number of points I wanted to bring to the minister's attention.

**The Chairman:** Shall the item carry?

**Mr. Monteith:** Just before the item carries, Mr. Chairman, I should like to have the privilege of saying a very few words. I have not participated in the debate on the estimates of the department before and I will be very brief. I should like to repeat the statement I made when I first asked a question of the minister at which time I congratulated her on heading the best department in the government. I repeat that statement and as this is the first opportunity I have had since leaving the department I should also like to express my appreciation to the officials of the department who have been very helpful to all ministers who have had the opportunity and privilege of heading it.

Having followed the speeches that have been made since the opening remarks of the minister, and the reply thereto of the hon. member for Grenville-Dundas, may I say that some very worth-while speeches have been made during the debate on these estimates. I wish to single out two that have been made tonight, the speech of the hon. member for Kamloops and that of the hon. member for Portage-Neepawa. The hon. member for Portage-Neepawa made a suggestion respecting welfare grants and, while I do not intend to hold up the first or any other item, when we get to that item in the estimates I should like to ask the minister one or two questions concerning the fitness and amateur sports grants and the welfare grants.

I must insist that the minister has not followed the right course in not increasing old age assistance payments and disability and blindness allowances at the same time as she increased old age security payments. Naturally we are all most interested in the report to be made by the health commission. I wish the hon. member for York-Humber were in the house at this time because I should like to finish by saying that the contribution made by the hon. member suggests he should go back to using the ingredients he mentioned earlier in his speech.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I should like to ask the minister of health and welfare a question concerning item 1.

According to the 1963-64 estimates, the departmental administration includes 379 employees. Could the minister tell us how many of those officials are bilingual?

[*Text*]

**Miss LaMarsh:** No, Mr. Chairman, I cannot tell the hon. member that.

**Mr. Gregoire:** A supplementary question. Has an inquiry been made in the Department of National Health and Welfare in line with the announcement made by the Secretary of State on many occasions in the past, that inquiries would be made to delimit how many bilingual people there are in each department? Has such an inquiry been made in her own department?

**Miss LaMarsh:** I am informed that about a quarter of the headquarter's staff is bilingual. The difficulty arises, of course, through using this word loosely in deciding who is bilingual. We have people who speak many languages. We have others who speak English, and speak French only slightly. We have people who speak German, Spanish, Italian or perhaps even Indian. We have a lot of these people. If my hon. friend means French and English he will have to define the degree. Even then this would waste a great deal of time and public money, and to what useful avail I am not sure. We have the best people we can get to do the job, and this is the only criterion on which we employ people in this department.

**Mr. Gregoire:** I see the Minister of Citizenship and Immigration beside the Minister of National Health and Welfare and he must have been as shocked as I was when she asked what we mean by bilingual, German or Ukrainian or Italian? I think the Minister of Citizenship and Immigration must have had the same reaction as I had. When we

speak about bilingualism I think it is understood we mean French and English. I should not like to question the competency of the personnel. That is not why I raise the problem. I am sure the minister has tried to choose the most competent people. For example, I see there are 138 stenographers, and I think it would be in bad taste to raise the question of the competency of all these employees.

I referred to bilingual employees and I should also like to point out that the minister asked me to what degree I meant that they should be bilingual. I simply state that it is sufficient if somebody who is in contact with the public can understand and be understood in both official languages. That is why I asked the question whether an inquiry has been made in the Department of National Health and Welfare. The minister referred to 25 per cent, and that is what I should like to know from the minister.

**The Chairman:** Shall the item carry?

**Mr. Gregoire:** I have asked a question.

**Mr. Peters:** Supplementary to the question asked by the hon. member for Lapointe, I should like to inquire whether a training program is under way in the Department of National Health and Welfare to bring about a degree of competency with regard to bilingualism on the part of the staff.

**Miss LaMarsh:** A number of officers of the department who have been able to speak only one language have been taking special language courses, and they have obtained permission to take time off for this purpose. When the government sets up the civil service language program now being arranged, those who wish to do so will be able to take extra training.

**Mr. Knowles:** I wonder whether the minister would indicate to the committee what plans she may have for answering the various statements that have been made and the questions that have been put to her in the several hours of debate there have been on item 1. I do not ask that she do it on the first item, if she will undertake to do it on some other item, but we would like the minister's comments on statements that have been made.

**Miss LaMarsh:** In at least two cases I have already written those who spoke last week on the estimates to give them the answers. One general question which has kept coming up concerns disability allowances and the test for them. It is perfectly true that the test is permanent disability. There are a great many people who do not fall within this classification and therefore do not obtain an allowance. The regulations have been drawn as a result of consultation between the two levels of government.

However, I am informed that within the last few years many people who do not qualify as being completely and permanently disabled, qualify under unemployment assistance programs. They are not employable and therefore they receive some assistance.

As all hon. members know, there have been a number of questions asked within the last few weeks regarding the basic categorical programs. I have indicated, as has the Prime Minister, that because of the fact that this topic has been requested by the provinces as a matter for insertion in the agenda of the federal-provincial conference to commence on Monday, no action was being taken in concert with the old age security increases. This, of course, is still my position, that until a full discussion has been held at that conference any other discussion may be premature at this time.

The hon. member for Oxford raised a question with respect to collections of samples in various countries to count radioactive fallout as a result of United Nations resolution 1379, passed in 1959. I have very little information with me with respect to this, but I am informed some four countries negotiated with Canada in order that details of samples, types, procedures and frequencies might be developed. As a result, we are receiving regularly from Pakistan samples of milk and food products, and samples of soil from Burma. I have not got any other information available at the moment, but I will be glad to obtain it and supply it to my hon. friend.

With respect to the topic of a number of speeches, the family allowance increase, my hon. friends have also placed questions on the order paper and have been informed by myself and the Prime Minister that this is indeed a part of the program of the government, a program for parliament, and that in the priorities which were given by the government, this did not obtain the highest priority.

All hon. members have been aware of this since the opening of the session when they heard the speech from the throne, and they have had no reason to believe it would be included in the legislative program for this session, since it was not mentioned in the speech from the throne.

A number of speakers also dealt with the question of medical care, which quite obviously is not a part of the legislative program of the government for this session. Indeed, as was mentioned by the hon. member for Oxford,

the report of the Hall commission is expected within a few months, and I should expect that taking any action without having that commisison report before us would be precipitate.

If there were other specific points raised I am sorry, but I thought they were being answered as argument developed, or I may have written answers to them. If not, I shall be very happy to give personal answers to hon. members.

**Mr. Choquette:** There is one question which is urgent and which I hear a lot about in my riding. Is it the intention of the government to raise the family allowance in the near future, and to extend it to students attending secondary schools?

**Miss LaMarsh:** I would like to refer my hon. friend to the literature of the party which we both support.

**Mr. Monteith:** Get together.

**Mr. Choquette:** Does that mean yes?

**Mr. Gregoire:** As I have not read the publications of the Liberal party, may we know what is the program it is supporting on the point raised by the hon. member for Lotbiniere?

**Miss LaMarsh:** The legislative program of the government is set out each year in the speech from the throne, and I refer my hon. friend to it.

**Mr. Gregoire:** I thought the program was set out during the last election, and was referred to in a booklet of the Liberal party. I would like to know—

[*Translation*]

**The Chairman:** The hon. member seems to be straying from the item under consideration.

[*Text*]

**Mr. Nesbitt:** I would like to ask the minister a question again. I think she answered it but it was rather difficult to hear her because of conversations going on in the chamber. I asked her at one point if she would care to comment on checking up on the rules and regulations which determine whether disabled persons allowances would be granted or not. I thought she answered, but would she mind repeating the answer?

**Miss LaMarsh:** I did, and I simply answered what my hon. friend knows, that this is a categorical program with a definition which was inserted, and which is very clear. There has to be complete disability and permanent disability in order to qualify. A great many people who cannot qualify in that rather rigid category are now qualifying under unemployment assistance programs where they are disabled, but not completely so and not permanently so.

This latter program is being used more and more by all of the provinces to fill in the cracks around this rigid program, and that is one of the reasons why this categorical program, and others, are to be discussed in depth at the conference on Monday, in order that better welfare programs can be developed for the whole of Canada.

**Mr. Nesbitt:** I am glad this matter is being gone into and I hope it has practical results.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I should like to put a question to the Minister of National Health and Welfare. I read under this item: "Educational and informational publications, $45,000.00", a subheading which comes back under practically all items. Could the minister tell us whether those publications are in both languages? If not, what is the percentage of publications in both languages?

[*Text*]

**Miss LaMarsh:** I am informed that all literature published by the department is published in both languages.

Item agreed to.

National health branch—

5. Administration, 467,800.

**The Chairman:** Shall vote No. 5 carry?

**Mr. Knowles:** We are grateful to the minister for the remarks she made on the first item, as I am sure she is grateful that the item has passed. We are now on the first item under the health branch and I wonder if the minister could give us a little more of a look into the future so far as health insurance is concerned. Included in the items under the heading of the health branch are amounts of money for three programs, which are excellent steps in this field—the general health grants program, the hospital construction grants, and the contributions under the Hospital Insurance and Diagnostic Services Act. I am sure the minister will agree that, excellent though these programs are, they are not the end of the story. I know—and she has confirmed it—that questions relating to medical services are on the agenda of the federal-provincial conference to be held next week. I know it is easy for her to ask us to wait for the report of the Hall commission, but surely, after all the years we have been waiting, we could be told by the minister of this department whether within the department there are plans for a health insurance program which could be implemented if the party in power were prepared to take the step.

I can think back to as recent a year as 1948, when the Liberal government of that day announced the health grants program. We were told then that this was the first step looking toward medical care, or a health insurance program. Well, 15 years have gone by since then, not to mention the years since the Liberal party's declaration of 1919. I know the minister will say that these matters should now at least wait until after the conference of next week and that we should wait for the report of the Hall commission. Incidentally, it always seems that that report is a month or two off. But surely after all these years and the times we have been told to wait, we could be told whether thorough studies are taking place within the department, and whether plans are being drawn so that if the government were prepared to make the decision we could start with a national health insurance program.

**Miss LaMarsh:** Mr. Chairman, the Department of National Health and Welfare has for a number of years been amassing and collating information and statistics with respect to medical plans in other jurisdictions. This information is there, ready for the department to use as the first step. There is background material in the form of study papers, and so on, for the minister. I am not able to say that a plan for medical care is in the department ready to be brought forward. During the six months I have been minister, as my hon. friend must realize, my main legislative concern has been in the welfare field. Surely my hon. friend would not expect, nor would the public expect, action to be taken, because the Hall commission report has not come down and so much time and effort has been spent in undertaking that study.

When this report is received by the government and a thorough study has been undertaken in regard to it, we will then be in a position to move forward in the commitment which the government has, the commitment very well known to my hon. friend, in the field of medical health.

**Mr. Knowles:** Mr. Chairman, I thank the minister for the statement she has has just made. I freely admit that she has given—and I approve of it—priority, in the months she has held this office, to the welfare side of the program. I know the job she has on her hands trying to sell the Canada pension plan. She knows that she gets help from us on that.

**Mr. Monteith:** On everything.

**Mr. Knowles:** But I do hope that what the minister has said this evening will be recognized as being in the nature of a commitment and just as soon as she gets the welfare program moving along, and as soon as she gets the Hall commission report, she will go to work on implementing, while we still live, the commitments of the Liberals of 1919 and every election over the decades since that time.

The minister said a good deal of work is going on in the department. Of this I am quite confident. I wonder whether anything has ever been undertaken comparable to the draft bill that the late Ian Mackenzie prepared when he was minister of the department of pensions and national health back in 1944. The minister may recall that last Thursday night when I was speaking on these estimates I produced from my musty files a copy of that draft bill. I would not suggest that the very same bill be introduced today, because a great many changes have taken place since then. But I wonder whether it has been updated, whether that bill has been studied and revised so that we could move in this direction if the minister were in a position to do so.

**Miss LaMarsh:** I may say, Mr. Chairman, that I first heard of this bill when my hon. friend mentioned it last week.

**Mr. Knowles:** That proves that the minister must have been very busy with other things, Mr. Chairman, because I am sure her department is much more efficient than that. I am sure her officials should have drawn to her attention, before this, that important document that was prepared in 1944. I hope there will soon be another one, and that next time it will not be just a draft bill produced a few months before an election, but a bill that parliament will have a chance to enact.

Item agreed to.

National health branch—

25. To authorize hospital construction grants to the provinces, the Northwest Territories and the Yukon territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $26,596,275, $20,000,000.

**Mr. Nielsen:** Mr. Chairman, I would like to ask the minister a question. Perhaps her officials have before them, in order to save time, the 1962-67 health services plan for the Yukon territory, as revised. If they have that plan before them, the minister may be able to advise me how the plans are coming along for the accomplishment of the 1962-63 objectives for the various centres in the Yukon, as listed in the report commencing at page 17. Has the minister that plan in front of her?

**Miss LaMarsh:** No, Mr. Chairman. I will have to look it up and send the information to the hon. member.

**Mr. Nielsen:** Then perhaps I could ask the minister, in order to save time—I have not spoken on the main item and I certainly do not want to delay this one—whether she would undertake to write me comprehensively as to whether the targets that are set forth on pages 17, 18, 19 and 20 of this health services plan for 1962-63 have yet been met; and if they have not been met, why not? Also, have any of the 1963-64 plans been proceeded with in advance of their schedule?

**Miss LaMarsh:** I will be glad to undertake to do that.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I would like to direct a question to the Minister of National Health and Welfare.

I see that under items 20 and 25, there is a listing of the grants given to each province in that field. As it is one of the joint programs in which both federal and the provincial governments are taking part, does the minister intend to follow the idea of the President of the Privy Council (Mr. Lamontagne) and give back to the provinces the jurisdiction in the field of public health, with equivalent sources of income?

[*Text*]

**Miss LaMarsh:** I am sorry, Mr. Chairman, but it is extremely difficult on occasion to hear what my hon. friend is saying when I am listening to the translation, and I asked my colleague to tell me exactly what the hon. member asked.

**Mr. Gregoire:** Mr. Chairman, is the minister prepared to give back the responsibilities under these joint programs between the federal and provincial governments, including the return to the provinces of income tax equivalent to the amounts given to the provinces as subventions?

**Miss LaMarsh:** Mr. Chairman, I think my hon. friend will have to rely for an answer to that question upon the responses made by the Prime Minister from time to time to similar questions put to him in the house. The proposals which will be discussed at the conference we hope will result in co-operation between the two levels of government with respect to these programs, as well as with respect to fiscal matters. I can say little more, with the conference starting in only two or three days. I would suggest to my hon. friend that pressing me on this matter is not in the public interest. It would not be something conducive to improving the spirit of co-operation between each of the governments concerned.

**Mr. Barnett:** I should like to address a question to the minister on the same subject, but in a somewhat different direction. I should like to know from her specifically whether the hospital construction grants have been put on the agenda for the forthcoming conference? I do not believe I need to elaborate, in posing my question, on the fact that the cost of construction in relation to the grants has altered very rapidly from the time when the present arrangements were made.

I did have a little chance as a member of a local hospital board, during what I sometimes refer to as my four-year holiday from this place, to wrestle with some of the problems involved in hospital improvement and construction. Certainly, the falling value of the hospital construction grants is one of the problems facing all local hospital administrators at this time. I am wondering whether the minister can indicate the intention of her department in respect of seeing that this matter gets a thorough discussion at the federal-provincial conference.

**Miss LaMarsh:** Well, Mr. Chairman, the dominion-provincial conference agenda is largely the result of requests from the provinces. I am not sure that I am the minister who should be reporting for the conference itself. The shared programs is an item on the agenda, and I am sure the hon. member knows that hospital grants are matching grants. In some of the provinces construction grants are somewhat larger now from the provinces than from the federal field. It is not my recollection that hospital grants specifically are on the agenda, but the whole problem of shared costs certainly is.

**Mr. Pigeon:** Mr. Chairman, I know that on two or three occasions the population of Joliette has requested the Quebec government for the construction of a new hospital. I should like to ask the minister if she has received a request from the provincial government to build a new hospital, because I know that the federal government shares the cost of this construction.

**Miss LaMarsh:** I am sorry that I cannot give my hon. friend an answer. I have no idea what individual applications may have been received by the department through the provincial agencies. I would be happy to attempt to find out and let the hon. member know, if I can.

Item agreed to.

National health branch—

**35. Construction or acquisition of buildings, works, land and equipment including payments to hospitals and other institutions which care for Indians and Eskimos as contributions towards the construction of hospitals and related facilities, $2,274,900.**

**Mr. Nielsen:** I wonder if the minister would give me the same undertaking in respect of item 35 in connection with the Yukon Territory as she did on the other item in connection with this 1962-1967 survey by her department?

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I thought we were coming to item 30; that is why I skipped a question. Am I allowed now to ask only one question about item 30?

**The Chairman:** Does the house give its unanimous consent? Are the hon. members in favour?

**Some hon. Members:** Agreed.

**Mr. Gregoire:** Mr. Chairman, here is my question. Out of the $385 million provided for the hospital insurance act, what is the amount spent in the province of Quebec?

**Mr. Côté (Longueuil):** Are you quite sure that amount is listed under item 30?

[*Text*]

**Mr. Churchill:** That is the wrong item, Mr. Chairman. It was a statutory item to which he was referring.

**Miss LaMarsh:** On October 10 last the annual report of the Hospital Insurance and Diagnostic Services Act was tabled in both English and French. I refer my friend to table C on page 16, which shows the total payments to Quebec were $88,713,635.41 last year.

Item agreed to.

Welfare branch—

*55.* Family allowances and old age security—administration, $2,890,000.

**Mr. Knowles:** Mr. Chairman, the minister is doing very well, but like ministers who do well she needs to be reminded of what is still to be done. I was interested in her comment a while ago when she said that improvements in family allowances were part of this government's commitment for this parliament. She seemed to be picking her words very carefully. She said it was a commitment but it did not have the highest priority. I draw her attention to the fact, if that is her excuse for not acting soon in respect of family allowances, that by the same reasoning she must act as soon as she possibly can with respect to the Canada pension plan, because that certainly was given the highest possible priority during the election campaign, in the speech from the throne and in the first speeches that were made in the house at this session by members of the government.

We have been over this a good many times. I know the arguments. I know that there is a federal-provincial conference coming next week. I know the educational job that needs to be done in the various sectors of our society. But I remind her of what she said tonight in respect of family allowances, although I do not accept the delay in that matter; but on this matter of improving the old age situation, particularly bringing in the Canada pension plan, the commitment by this government to the Canadian people had the highest priority. I still call upon her and upon the government to act upon it as quickly as possible.

[Miss LaMarsh.]

**Mr. Monteith:** I think it might well be pointed out also that while the hon. member for Winnipeg North Centre has put the highest priority on the Canada pension plan rather than family allowances, there was certainly an implication during the last election campaign that by at least last September, the start of the school year, family allowances would be paid to those between the ages of 16 and 18 who were attending school. This was definitely the understanding and appeared to be a commitment on the part of the government during the campaign.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I should like to put a question to the Minister of National Health and Welfare.

Since we are considering item 55 which concerns family allowances, is the minister now in a position to answer the questions we asked a while ago with respect to a possible increase in family allowances in the near future?

[*Text*]

**The Chairman:** The hon. member for Medicine Hat.

**Mr. Gregoire:** I did not have any answer.

[*Translation*]

Mr. Chairman, we have not yet received an answer to the question we just asked.

[*Text*]

**Mr. Choquette:** I asked the question and I got an answer.

**The Chairman:** The hon. member for Medicine Hat.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I rise on a point of order. I was recognized. I asked my question and I have received no answer yet.

**The Chairman:** Perhaps the minister wants to answer all questions asked by various members of the house at the same time.

**Mr. Gregoire:** I see.

[*Text*]

**Mr. Olson:** Has the minister's department calculated how much it will cost annually to pay family allowances to children between 16 and 18 who are still attending school, within the confines of those matters promised by the Liberal party?

**Miss LaMarsh:** Yes we have estimated the cost.

**Mr. Olson:** Can I have the estimate?

**Some hon. Members:** Ten thirty.

**Mr. Churchill:** We are prepared to go on for a few minutes. There are only six items left and the session is drawing to a close. There will only be about eight days remaining to complete the other estimates, so I think we should go on for another few minutes and complete this department.

**Mr. Knowles:** There may be only six or eight items left in this department, but they are very important ones. As a matter of fact, I imagine my hon. friend from Winnipeg South Centre and others of his party might like to discuss some of these items after next week's federal-provincial conference is over. I think we have done a good night's work, as I believe the minister will agree, and I would suggest that it is 10.30.

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 the forecast of business for tomorrow stands, and whether he could let us know anything about the business for Monday.

**Mr. MacNaught:** The forecast of business for tomorrow as outlined by the leader of the house last night stands. I regret at this time I am unable to make any statement about Monday, but negotiations will be carried on tomorrow morning through regular channels to arrange the program for next week.

It being twenty five minutes before eleven o'clock the house adjourned, without question put.

## *Supply—Items Passed*

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration, $1,973,500.

National health branch—

Health services, including assistance to the provinces—

5. Administration, $467,800.

10. Consultant and advisory services, $756,800.

15. Laboratory and advisory services, $2,610,300.

20. To authorize general health grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $38,910,391, $31,000,000.

20a. Health services, including assistance to the provinces—general health grants—details relating to vote 20 of the main estimates for the year 1963-64 are replaced by the details in these estimates, $1.

25. To authorize hospital construciton grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $26,596,275, $20,000,000.

Medical services—

30. Operation and maintenance including a grant of $300,000 to the province of Newfoundland towards the cost of construction of a hospital at Gander and authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be paid by the governments of provinces and territories under agreements to be entered on terms approved by the governor in council with such governments in respect of health assistance to non-Indians residing on Indian reserves and to non-Indian and non-Eskimo residents of the territories, $27,788,700.

35. Construction or acquisition of buildings, works, land and equipment including payments, to hospitals and other institutions which care for Indians and Eskimos as contributions towards the construction of hospitals and related facilities, $2,274,900.

45. Administration of the food and drugs and the proprietary or patent medicine acts, $3,008,900.

50. Administration of the Narcotic Control Act and part 3 of the Food and Drugs Act, $450,100.

## APPENDIX

### COMMUNIQUE ON MEETING OF O.E.C.D.

1. The ministerial council of the O.E.C.D. held its annual meeting in Paris on 19th and 20th November, 1963, under the chairmanship of the Hon. Halvard Lange, minister for foreign affairs of Norway, and reviewed the economic prospects for its twenty member countries and their economic relations with the rest of the world.

2. The prospects for economic growth in member countries are on the whole better than last year. The United States, the United Kingdom and Canada are now progressing at a faster rate. In other member countries expansion continues. In the expectation that this growth will be supported by suitable measures in the United States and other countries, the increase of the gross national product of the O.E.C.D. area as a whole for the years 1960-64 will probably correspond to the growth target of 50 per cent set for the decade of the 1960's by the first ministerial council in 1961.

The importance of internal stability for balanced economic growth was stressed. Costs and prices in a few European countries are rising rapidly. A stabilization plan is being put into effect in France. Measures have been taken in Italy; further steps must be envisaged.

3. As regards international payments, measures undertaken by member countries, and the recent trends of trade among them, have begun and should continue progressively to create better equilibrium between the deficit and surplus countries. It is important that measures adopted by all member countries to deal with their internal economic situations should continue to take into account their effects on the general equilibrium of international payments.

4. In member countries in the process of development, economic growth in recent years has generally been somewhat faster than in the O.E.C.D. area as a whole. However, it can hardly be said that the desirable narrowing of the gap between these and other member countries has really begun; much remains to be done.

The ministers considered it desirable, therefore, that the organization and its more developed members should continue to devote their attention and co-operation to the development problems of the less developed member countries.

Ministers noted with satisfaction that a new Spanish development program will be inaugurated in 1964. The ministers also reviewed the situation of the consortia for aid to Greece and Turkey and reaffirmed the importance which they attached to the efforts of member countries in support of the development of these two countries, particularly by the provision of long term development capital on favourable terms.

5. Ministers reviewed the work of the organization in the fields of agriculture, industry and manpower, and agreed that this work should increasingly be directed to the problems of adaptation arising from changes in the economics of member countries. They considered in particular that the organization should pursue its work on an active manpower policy, and on the retraining of manpower as well as on mobility of manpower and industry.

6. Ministers noted with satisfaction the results of the ministerial meeting on policies for science and technology on 3rd and 4th October, 1963.

7. The ministers noted that development aid has been maintained at a high level and on improved terms, although the earlier rate of increase has not continued. The needs of the developing countries are, however, increasing, and great problems lie ahead. Past results have depended largely on public support in member countries. The provision of aid to meet the expanding needs of the less developed countries will depend even more on such support in the future and will be related increasingly to measures of self help in the recipient countries.

The ministers emphasized the value of the confrontations of national aid programs through the organization, and asked members further to co-ordinate their efforts with a view to making aid more effective in response to priority needs in the less developed countries. They also welcomed the intention expressed by the members of the D.A.C. of relating more nearly the terms of aid to debt servicing capacities of recipients. Important steps had been taken by some members in this connection during the past year. Ministers noted the decline in private capital movements from the industrialised countries to the less developed countries and asked the organization to consider further what steps might be taken by industrialised and less developed countries to increase the flow.

The ministers welcomed the establishment of the O.E.C.D. development centre.

8. Since last year's ministerial meeting, the organization has devoted a great deal of attention to the ways and means to increase the export earnings of less developed countries, member and non-member.

The bulk of the exports of the less developed countries still consists of primary products of which O.E.C.D. countries are the main importers. Various methods for stabilizing and increasing the export earnings from these commodities are now being studied. Ministers stressed the importance of this work. Member countries should join in efforts to improve the market conditions for primary products.

Increasingly, however, the less developed member and non-member countries need to diversify their economies and encourage the production of manufactured articles for their own markets and for exports. The industrialised countries of the O.E.C.D. should facilitate this development by providing enlarged access to their markets for these products. The ministers noted with approval that full reciprocity from less developed countries was not being demanded for the tariff reductions expected from the forthcoming round of GATT tariff negotiations.

Ministers instructed the organization to continue work and consultations concerning the trade problems of the less developed countries.

They voiced the determination of their governments to prepare for the United Nations conference on trade and development in a constructive spirit.

# HOUSE OF COMMONS

**Friday, November 22, 1963**

The house met at 11 a.m.

## COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—CONCURRENCE IN SECOND REPORT

**Mr. G. W. Baldwin (Peace River)** presented the second report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE—ELEVENTH REPORT

Eleventh report of standing committee on banking and commerce—Mr. Moreau.

## TRANS-CANADA AIR LINES

PURCHASE OF DC-9 AIRCRAFT—CONTINUATION OF WINNIPEG MAINTENANCE BASE

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I wish to make a statement about the acquisition of aircraft by Trans-Canada Air Lines, and certain other matters related to aviation and the aircraft industry. This statement is somewhat longer than I and perhaps the house would wish, but I think this is justified in this case by the importance of the matter and the general interest it has aroused.

Trans-Canada Air Lines is today announcing that it is placing an order for six jet aircraft of the DC-9 type with the Douglas Aircraft Corporation. This decision has been reached by the board of directors of T.C.A. after a technical and economic evaluation of five different types of aircraft. A thorough review by the government disclosed no reason for directing T.C.A. to reconsider this decision.

The evaluation by T.C.A. was probably the most complete ever undertaken by an air line company, certainly by a Canadian company. The selection of an aircraft is a complex process in which many matters must be taken into account. The pattern of routes to be served, which is different for each air line, affects the calculation of both capital and operating costs. It also governs the assessment of alternative types of aircraft in relation to the stage lengths and distances, the frequency of service, and many other matters including maintenance, passenger comfort and speed.

If T.C.A. is to provide the best service to the Canadian public at the lowest possible rates, it needs the type which is best suited to its own economic and operational requirements. T.C.A. has decided that the DC-9 best meets these requirements, on grounds of both cost and service to the public. This, of course, does not mean that the types not selected by T.C.A. are not good aircraft; rather it means that they are not as well suited to T.C.A.'s particular needs in this particular instance.

In studying the decision of T.C.A. the government has considered the impact which each of the alternative choices seemed likely to make on employment and industrial activity, and was concerned that, whatever type might be selected, Canadian industry should share in its manufacture. None of the types under consideration could have been built entirely in Canada; in each case engines and at least a number of component parts would have had to be brought into the country. However, the Douglas Aircraft Corporation had already entered into an arrangement with the de Havilland Corporation of Canada whereby a substantial portion of the DC-9 aircraft is to be produced by de Havilland of Canada.

This does not apply merely to aircraft produced for T.C.A., but to all DC-9 aircraft sold anywhere in the world. There should also be benefits to component manufacturers in Canada, both directly and indirectly. For example, United Aircraft of Canada Limited, in the Montreal area, is expected to receive many millions of dollars worth of business both on the engines installed in the DC-9 and on other work transferred to Canada concurrently by the parent company in the United States.

I am very pleased that the T.C.A. decision will result in the acquisition of an aircraft having an important Canadian component made by a Canadian company and providing substantial employment for Canadian labour. Indeed, with the T.C.A. order acting as a stimulus to the purchase of DC-9's by other air lines throughout the world, there is a very strong likelihood that the benefits to the Canadian economy in terms of labour and production, including foreign exchange gained, will be greater than the value of the T.C.A. order.

At the same time I am aware that much public discussion has centred on the possibility of production at the Canadair plant in Montreal of another type of aircraft for use by T.C.A. In this connection I wish to

emphasize that the government has given special attention to the current and prospective levels of activity at Canadair, and I can assure the house that this company will continue to enjoy, as it has in the past, a substantial share of the aircraft production work carried out in Canada. At the present time Canadair is prime contractor to the Department of Defence Production for two major aircraft production programs. One of these is the F-104 Starfighter program. Having recently completed an order for 200 of these aircraft for the R.C.A.F., the firm is currently producing a further 140 for mutual aid, financed jointly by the United States and Canadian governments. The production of these aircraft at Canadair's plant at Cartierville is scheduled to continue until the autumn of 1965. In addition to these orders, under arrangements made by the Department of Defence Production, Canadair is sole supplier to Lockheed California Company of wings and tail assemblies for all aircraft of this type sold by Lockheed. The other production program in which Canadair is currently engaged is the CT-114 Tutor jet trainer. One hundred and ninety of these aircraft have been ordered by the R.C.A.F. Deliveries are scheduled to commence in December of this year and to continue through December, 1965.

Canadair has also received subcontracts from a number of United States defence contractors, largely as a result of the Canadian-United States production sharing program. An example, which holds excellent potential for continuing production, is the subcontract which the company has received from Convair division of General Dynamics for design and manufacture of part of the airframe of the F 111 TLX aircraft now being developed for the United States department of defence. Subcontracting has also enabled the company to diversify its activities by the manufacture of items ranging from valves for submarines to components for helicopters. In addition to its manufacturing, Canadair performs a continuing large annual volume of repair and overhaul work for the Canadian services under contracts with the Department of Defence Production.

In recognition of the fact that it is only through the development of new products that a company can hope to maintain a stable level of future production, the government has provided substantial assistance to Canadair both through the Department of Defence Production and under the defence industrial research program of the defence research board. Important development projects are under way at Canadair which have been made possible not only by the financial support of the government but also through negotiations conducted by the Canadian government with other countries.

T.C.A.'s study of the purchase of new aircraft was made against the background of the corporation's forward plans for the next ten years. The effect of this planning is to indicate that much the greater part of T.C.A.'s fleet of turbo-propeller Viscount aircraft will continue to be needed throughout the ten years.

I am therefore now able to announce a change from the previous expectation, which was made known a year ago, that the overhaul and maintenance base in Winnipeg might begin to be phased out early in 1966. For at least as far ahead as planning now extends, that is at least ten years, the Winnipeg facilities will continue to be used.

This decision has considerable importance to the economy of greater Winnipeg. In the view of the government it is very much in the national interest that opportunities for skilled employment of the kind which the T.C.A. base provides should be diversified in different centres to as great an extent as is compatible with industrial efficiency. For this reason the continued operation of these maintenance and overhaul facilities in Winnipeg is to be warmly welcomed.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** The Prime Minister has made a very lengthy statement and it is, of course, impossible to analyse that statement without having the details before us. However, it indicates that the widespread division which, it has been suggested, existed within the cabinet has finally been resolved in favour of those who represent Ontario constituencies.

With regard to the lengthy explanation as to the benefits which will go to Canadair, all I can say is that it would appear, because the explanation was so long, that the potentialities for Canadair are much less than the hopes expressed today by the Prime Minister.

**Some hon. Members:** Oh, oh.

**An hon. Member:** Compared with the Avro.

**Mr. Diefenbaker:** I am very glad for that intervention, the statement regarding the Avro. Throughout the years we were condemned for the stand we took in connection with the cancellation of the Arrow program. It was a difficult decision to make. We only found out a matter of three weeks ago, when General Foulkes was giving evidence before the defence committee, that hon. gentlemen who now interrupt me had agreed on cancelling the Arrow program but had decided not to do so before the 1957 election.

**Mr. Pearson:** I rise on a point of order.

**Mr. Diefenbaker:** There is no point of order. The statement which the right hon. gentleman—

**Mr. Pearson:** I rise on a point of order, Mr. Speaker.

**Mr. Diefenbaker:** If the right hon. gentleman wishes to rise on a point of order, may I say that it is in keeping with his usual course.

**Mr. Pearson:** My point of order is that the statement which the Leader of the Opposition has just made is entirely inaccurate.

**Mr. Diefenbaker:** I wonder why the Prime Minister does not take some instructions from the so-called rule expert, the Secretary of State, who might point out to the right hon. gentleman that that is not a point of order. It is simply an interruption designed to cause a detour, but it will not succeed. I repeat what I said; the St. Laurent government had decided to cancel that program but he and his friends, including the present Prime Minister, agreed they would delay taking any action on this course, which they believed in the Canadian interest, because of their fear of the political effect.

**Some hon. Members:** Oh, oh.

**Some hon. Members:** Hear, hear.

**Mr. Pearson:** Mr. Speaker, that is a false statement.

**Some hon. Members:** Oh, oh.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** Mr. Speaker, the ruddiness of the face of the Prime Minister is understandable under all the circumstances.

**Some hon. Members:** Hear, hear.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** In so far as the announcement is concerned, naturally, as I said at the beginning, we will look at it and see what was actually said and what was meant by the large number of words that were used in the explanation. However, there is one definite announcement and that is regarding the Winnipeg situation. I am sure that will bring intense pleasure to the hon. member for Winnipeg South who for so long—

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** —has pressed to have the base remain there.

**Mr. Knowles:** I raise a point of order now.

**Mr. Diefenbaker:** Mr. Speaker, I did not have a compass with me when I was describing the constituency, but so there will be no misunderstanding as to the identity of the person meant may I say I was referring to the former minister of national defence sitting on my left. However, even that statement is not quite as clear as it might be. It does not indicate whether there is going to be any reduction in employment. It simply says that the overhaul base will be continued. I hope that statement means that the playing around with this problem by the present government for so long has finally been ended—

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** —for as far as we were concerned we gave the assurance that the base was not going to be interfered with.

**Mr. McIlraith:** No.

**Some hon. Members:** No.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, the Prime Minister has made two very important announcements. There will be general pleasure at the announcement that the T.C.A. maintenance and overhaul base is to remain in Winnipeg for at least the foreseeable future. I think this is good not only for the economy of Winnipeg and Manitoba, but it is a good decision for the economy of Canada as a whole. I know it will bring a great deal of satisfaction to my two colleagues, the hon. member for Winnipeg North Centre and the hon. member for Winnipeg North, who have done most of the work in advocating that the base should be maintained at Winnipeg. It will also relieve a certain Liberal candidate in Winnipeg, who is my namesake, of a good deal of his embarrassment over the commitment he made during the election. I think the decision is a good one and we welcome it.

With reference to the decision which the Prime Minister announced regarding the purchase of the DC-9, this is a complex and technical matter and we would want to examine the Prime Minister's statement more carefully. But I do want to say to him and to the government that while we want all the employment we can get in Canada, I think the Canadian people as a whole will deem it the government's responsibility to place the major emphasis on the safety of and service to the passengers who travel on T.C.A. and on the efficiency of Trans-Canada Air Lines. This must be the main consideration in making a decision of this magnitude. If the government, which is in full possession of the facts, has made a decision on the basis of that criterion, then I think they will have the wholehearted support of the people of the country.

**Mr. R. N. Thompson (Red Deer):** Trans-Canada Air Lines has become one of the

major air lines of the world, responsible for the safety and transportation of thousands of people each year. I am not sure if the reaction of the members of this house to the announcement just made is in keeping with the record and standards that have been set by T.C.A. I would say that Trans-Canada Air Lines is not responsible for the unemployment situation in Canada, nor should politicians be deciding what kind of aircraft T.C.A. should operate.

I am not an expert in aviation, but I fly by T.C.A. as much as anyone else and I have had considerable personal experience in flying as well. I must say that I feel it is a safer proposition to fly in an aircraft selected by technical people who know something about it than to fly in one that might be selected by politicians. Now, if the technical people of Trans-Canada Air Lines have decided that the DC-9 is the best type of aircraft to fly, and that in consideration of the economic operation of the air line it is also the best type to choose, then I think we should accept that decision because they have the responsibility for the decision.

However, it is encouraging to note that the unemployment situation in Montreal is not something which is just left to the wolves; because the announcement, as I have understood it, indicates there is going to be a considerable increase in the activities of Canadair and the aircraft construction industry in Montreal. I also welcome the decision to leave the maintenance depot in Winnipeg, at least for the foreseeable future, because its removal would work a hardship on a lot of people whose lives have been wrapped up in this particular phase of the industry at Winnipeg.

I should like to comment that it is now obvious that T.C.A. is entering into the field of pure jets. I am concerned about the number of feeder lines, which will not decrease but increase, I believe, and which probably are not in a position to use this type of aircraft. I urge the government to be very careful in their policies and in their considerations respecting the maintenance of these feeder lines, and to make sure that the service is extended to these areas. This provides an opportunity for private enterprise to co-operate with public enterprise in maintaining the essential transportation policies which the Canadian people require.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, the announcement just made by the right hon. gentleman (Mr. Pearson) reminds me of someone who makes you take a dose of castor oil by offering you at the same time a spoonful of sugar.

[Mr. Thompson.]

I have absolutely no intention of discussing the report of the directors or the experts of T.C.A. who suggested the purchase of six DC-9 aircraft instead of Caravelle aircraft. The latter was widely spoken of and for a while it particularly interested government members from the province of Quebec and from other parts of Canada who decided in favour of the Caravelle instead of the DC-9.

According to experts, the Caravelle has already stood the test of experience, but not the DC-9.

The castor oil is referred to in this morning's *Le Devoir* which said:

> By choosing the DC-9, Ottawa will deprive Quebec of a $55 million contract. Even if Ottawa chose the Caravelle, Toronto would build the DC-9.

Therefore, Mr. Speaker, I am a little amazed at the attitude of my hon. friends opposite who gave a real loud applause at the announcement made by the right hon. Prime Minister although they themselves demanded the purchase of the Caravelle for the whole of Canada or to meet the needs of T.C.A.

I repeat that there is no question of criticizing the decision of experts because they know what they are doing. But we must recognize that some experts chose the Caravelle while some others preferred the DC-9.

The spoonful of sugar is the announcement that the air base in Winnipeg will be operated for another ten years and that overhaul and maintenance operations will continue to be done there as in the past. I am glad of that.

As for Montreal, we are told that the Royal Canadian Air Force will award contracts to Canadair and that United Aircraft of Montreal will produce parts and accessories. The only thing is that the DC-9 will not be built in Montreal.

Mr. Speaker, I appreciate that the government cannot reverse its decision, but I should like to point out to the Prime Minister and to the members of his cabinet that Quebec has the highest level of unemployment at present and that every effort should be made to reduce the chronic unemployment which has been afflicting that province for years.

Millions of dollars of expenditures will have to be made for the production of those aircraft and the industrialization that will follow. I am all for the distribution of that money according to the needs of the provinces since Quebec will have its share, but I feel that the government should have favoured the less developed and less progressive areas.

We have to swallow the dose of castor oil. The spoonful of sugar makes it easier, but we still maintain that the government should have chosen the Caravelle instead of the DC-9.

[*Text*]

[*Later:*]

On the orders of the day:

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I would like to ask the Minister of Transport whether he can give an assurance that the overhaul and maintenance work that will be required on the proposed new jets will be done at the base in Winnipeg.

**Hon. G. J. McIlraith (Minister of Transport):** No, Mr. Speaker.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Minister of Transport supplementary to the question put to him by the hon. member for Winnipeg South Centre. In view of the minister's statement that he could not assure that the work on the DC-9 would be done at Winnipeg, can he say, since the base is being maintained, what work will be done there and the extent of the employment that will be maintained at Winnipeg through the foreseeable future?

**Mr. McIlraith:** I wonder if I might suggest that before questions are asked on this subject the text of the statement made this morning be read carefully, because it deals with the point raised. This overhaul base situation has caused grave concern in Winnipeg because of conflicting statements and misinformation that got out before I had responsibility in the department. I am sure the hon. member for Winnipeg South Centre will appreciate this. There were differences in announcements made by him in Winnipeg during the election campaign and statements made by the minister of transport of that day—

**Mr. Churchill:** No, sir.

**Mr. McIlraith:** —and the T.C.A. officials announcements. This has become a matter of great worry to the people of Winnipeg.

The maintenance work that is envisaged, and this is related to the announcement made on the acquisition of new aircraft, is the work on the Viscount, and it will be seen on reading the statement that the announcement infers keeping the Viscount aircraft in operation, whereas the fears in Winnipeg arose from the fact that the Viscounts were being taken out of operation, starting early in 1966, with the closing of the base as that operation proceeded. Indeed it was indicated it would proceed rapidly.

I would ask hon. members to check the statement quite carefully, but it is predicated on the maintenance base continuing the same kind of work that it is doing now.

**Mr. Churchill:** We will have to read the statement plus *Hansard*.

**Mr. McIlraith:** And it is predicated on the planning involved in the purchase of aircraft, which is firm through to 1973.

**Mr. Knowles:** As a supplementary question, may I ask the minister what will happen to the Winnipeg maintenance and overhaul base when the Viscount has been phased out? Is this assurance only for these few years?

**Mr. Pickersgill:** It isn't going to be phased out for 10 years.

**Mr. McIlraith:** I think this should be put in perspective. The facts of the matter are that the announcement this morning dealt with employment for 10 years ahead; in the last 10 years employment in T.C.A. at Winnipeg has increased by 23 per cent. To go beyond the year 1973 in a definitive announcement as to the precise nature of work that would be done in a base doing overhaul and maintenance work would, in my view, be irresponsible.

**Mr. Knowles:** During the 10 year period will employment be maintained more or less at the present level—

**Mr. Pearson:** It may be increased.

**Mr. Knowles:** —or will it be nibbled away as was the case during the last few years?

**Mr. McIlraith:** I would hope it would be maintained and probably increased, but I cannot be precise on the matter at the moment.

[*Later:*]

**Mr. Lloyd Francis (Carleton):** Mr. Speaker, I have a question for the Prime Minister. In view of the reference to General Foulkes earlier today in this chamber, is the Prime Minister in possession of any further information or reports concerning the course of action then taken?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, shortly after General Foulkes appeared before the defence committee he visited me to protest at the interpretation which had been given to his evidence. I asked him, if that were the case, whether he would send me an exact transcript of what he had said, and—

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I rise on a point of order. Either this is in order or it is not in order, but these self-explanatory statements in answer to suggested questions are not in keeping with the rules of this house.

**Mr. Pearson:** Mr. Speaker, on a point of order, this question arises out of a statement made a few minutes ago by the right hon. gentleman, which is now on the record and will have been reported. Therefore I think

in justice to General Foulkes, who cannot speak for himself in this house, the question is in order and I should be able to put on the record in answer to the question exactly what he said.

**Mr. Diefenbaker:** I again rise on a point of order and ask for your ruling, Mr. Speaker. If the hon. gentleman wants to revert to motions in order to make a self-exculpatory statement I have no objection, but this is no place for this kind of infraction of the rules.

**Mr. Pearson:** Mr. Speaker, continuing my answer to the question—

**Mr. Diefenbaker:** No. I ask for a ruling here, instead of this contemptuous attitude on the part of the Prime Minister.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I rise on a point of order to bring to the attention of the house the fact that the right hon. gentleman knows full well that when he is dealing with a matter concerning a statement made by a minister in this house, he must deal with that statement and with nothing extraneous to it. In his statement the right hon. gentleman opposite dealt with a matter which was entirely extraneous—

**Mr. Monteith:** Who started it? The Prime Minister.

**Mr. Chevrier:** Just a moment. That part of his statement was totally out of order. I remember full well how we when on the other side of the house were called to order at any time—

**Mr. Speaker:** Order.

**Mr. Diefenbaker:** It was the interruption which called for an answer from me.

**Mr. Speaker:** It is a new experience for me to have to interrupt two hon. members who are ministers, but I do think the point is reasonably well taken that if the statement is a long statement we should revert to motions.

**Mr. Pearson:** The statement is in reply to a question which was asked in view of what the right hon. gentleman said about a particular man. It is a very short statement. Reference to the verbatim evidence which was given will clear this matter up, out of fairness to General Foulkes, and it will take about 30 seconds to make it.

**Mr. Diefenbaker:** If this is a reversion to motions I have no objection whatsoever, but this present course is improper.

**Mr. Chevrier:** So was your statement.

[Mr. Pearson.]

**Mr. Diefenbaker:** It is improper to place before the house questions arising in connection with statements made to a committee.

**Mr. Speaker:** May I refer hon. members to Beauchesne's fourth edition, citation 181(1):

> Questions must be answered briefly and distinctly, and be limited to the necessary explanations, though a certain latitude is permitted to members of the crown whenever they find it necessary to extend their remarks with the view of clearly explaining the matter in question.

In view of the fact that it is the Prime Minister who is making this request a certain latitude should be given, but I would have to leave it up to his good taste to restrict the latitude as much as possible.

**Mr. Knowles:** Mr. Speaker, there is another point of order which I think Your Honour must consider and which has not yet been placed before you. If the Prime Minister is about to straighten out something which took place in a committee of the house, I submit he is out of order because that committee has not yet reported. If the Prime Minister wishes to deal with that matter I suggest he had better find some way of doing so which is within the rules.

**Mr. Pearson:** I am not dealing with this matter because of anything which arose in the committee but because of a reference made in the house to a statement which was made in that committee, a reference which I claim was inaccurate. I am trying to clear up that inaccuracy. That is all I have in mind.

**Mr. Knowles:** If the Leader of the Opposition was out of order in referring to what went on in the committee he should have been ruled out of order at the time; but if he was not ruled out of order, that does not make it proper for the Prime Minister to pursue a line which is out of order.

**Mr. Diefenbaker:** I was not out of order. I was making a statement when I was interrupted. It was one of those interruptions made by an hon. member sitting in his place; "What about the Arrow". I answered it, and the answer hurt.

**Mr. Speaker:** I suggest that in order to permit this discussion to continue, if the Prime Minister would like to revert to motions and the house gave its consent, we could follow that procedure—

**Mr. Churchill:** On a point of order, the Prime Minister indicated that he was about to read a verbatim report of what was said in the committee. The committee has not reported to the House of Commons; therefore he would not be in order in doing such a thing. It is on that point that Your Honour would have to rule.

**Mr. McIlraith:** I wonder if might be heard on the point of order. I think it might be helpful if I read the question which was asked. The question is "In view of the reference made to General Foulkes, has the Prime Minister a report of what the general actually said about the Arrow cancellation?". It is clear that the answer was to be what the general actually said, as disclosed to the Prime Minister; because General Foulkes was concerned with the information which had appeared in the press of Canada, concerned with what he felt was a mistake. So I suggest the approach made by the right hon. Prime Minister is in order.

**Mr. Speaker:** If the Prime Minister could give a short answer without referring to what went on in the committee he might be in order.

**Mr. Pearson:** What I propose to do in answering this question is to repeat what General Foulkes told me. He said, and he gave me a copy of his evidence—

**Some hon. Members:** Oh.

**Mr. Pearson:** But to end this matter, if hon. members opposite do not wish to have on the record the exact words he used, as given to me by him in my office, I do not wish to delay the house and I will see that the information is given to the press.

**Some hon. Members:** They are afraid of the truth.

**Mr. Knowles:** I rise on a question of privilege. The remarks just made by members of the other side of the house were not directed toward me, but I object to any suggestion that when members insist that the rules be observed it is because they are afraid of the truth. There is no one in this house who insists more regularly on the observance of the rules than the Secretary of State. But citation 324 (1) of Beauchesne's fourth edition specifically states:

> Until the report and evidence has been laid upon the table it is irregular to refer to them in debate or to put questions in reference to the proceedings of the committee.

I suggest that the decision made by Your Honour and by the house, that we should not hear this statement, was one which was reached purely on the basis of the observance of the rules and not on the substance of the matter before us.

**Mr. Douglas:** I also suggest that if General Foulkes has been misunderstood, or if his evidence before the defence committee has been misinterpreted, he has a perfect right to ask the chairman of that committee to allow him to appear again and correct any misunderstanding with regard to his comments.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I put a question to the Prime Minister?

Following his statement concerning the purchase of the DC-9 aircraft, can the Prime Minister tell the house whether T.C.A. has called for tenders from the French company which developed the Caravelle?

[*Text*]

**Mr. Pearson:** If the hon. member would read the statement I made, he would find the answer to his question.

**Mr. Pigeon:** A point of order, Mr. Speaker.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, may I put a supplementary question?

In his lengthy statement the Prime Minister did not say whether T.C.A. had called for tenders from the company which developed the Caravelle aircraft.

Following the long statement he just made, the Prime Minister must be in a position to answer me. That is why I am asking this question.

**Hon. J. P. Deschatelets (Minister of Public Works):** Just read the Prime Minister's statement.

[*Text*]

**Mr. Speaker:** The hon. member for St. Mary.

**Mr. Georges Valade (St. Mary):** Thank you for recognizing me at last, Mr. Speaker. I wish to direct my question either to the Minister of Transport or to the Prime Minister. Since the Prime Minister answers in certain cases and the Minister of Transport in others, I will let the two hon. gentlemen choose between themselves who is to reply.

In all the arguments which were brought up in the statement by the Prime Minister as to comfort, speed, service and cost, I heard nothing about safety. Can the minister make a statement as to the comparative safety of both the Caravelle and the DC-9? This is a point which is of major importance.

**Mr. Pickersgill:** On a point of order, I suggest that the rules be applied to both sides of the house. There is a rule that questions must be succinct, that they should not contain arguments and that they should be directed to one particular minister. Since we seem to be in a mood to observe the rules this morning, I suggest they be applied with respect to this question.

**Mr. Pigeon:** You are the king of arguments.

**Mr. Valade:** On the point of order, I wish to read some remarks made by the Secretary of State and say that I did not know to which minister I should direct my question, because the responsibility for a decision—

**Some hon. Members:** Oh, oh.

**Mr. Speaker:** Order. I am sure we understood the point of the hon. member's question, and I think we have dealt with it.

**Mr. Valade:** May I direct a supplementary question to the Minister of Transport. Has the minister any statement to make concerning the safety of the DC-9?

**Mr. McIlraith:** Yes. I wish to assure the hon. member that Trans-Canada Air Lines made a most careful evaluation over a period of about two years through their engineers and other persons working on the economic aspects of its operations. They went into the whole question of safety as well as the other relevant factors which are involved in a decision to purchase a new aircraft.

**Mr. Valade:** How many test flight hours—

**Mr. Speaker:** Order, please. That is a question for the order paper.

**Mr. Pigeon:** May I direct a supplementary question to the Minister of Transport.

**Mr. Speaker:** I wonder if the hon. member would wait. I have recognized the hon. member for Medicine Hat.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct a question to the Prime Minister. Now that the government has decided to buy DC-9 aircraft, does not the Prime Minister feel that it would be logical for Liberal members from Quebec to give their resignations as soon as possible in order to protest against that decision?

[*Text*]

[*Later:*]

**Mr. Valade:** I should like to ask the Prime Minister if he can tell us on what date the contract was signed for the purchase of the DC-9 by Trans-Canada.

**Mr. Pearson:** I do not think it has been signed yet.

## SIR JOHN A. MACDONALD

PROPOSED HOLIDAY IN HONOUR OF FORMER PRIME MINISTER

**Mr. Heath Macquarrie (Queens)** moved for leave to introduce Bill No. C-109, respecting Sir John A. Macdonald day.

[Mr. Pickersgill.]

**Some hon. Members:** Explain.

**Mr. Macquarrie:** Mr. Speaker, as Canadians approach the centennial of the Charlottetown and Quebec conferences and soon of confederation itself, it seems proper and desirable that the memory of the chief architect of confederation, Sir John A. Macdonald, be honoured by the observance of a holiday bearing his illustrious name. This bill proposes such a holiday on the Monday following his birthday, January 11.

Motion agreed to and bill read the first time.

## REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

**Hon. J. W. Pickersgill (Secretary of State)** moved that the house do go into committee of the whole at its next sitting to consider the following proposed resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure 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; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the chief electoral officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure, and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide for the establishment of electoral boundaries commissions, including expenses of administration thereunder.

Motion agreed to.

## EXTERNAL AFFAIRS

CUBA—REQUEST FOR INFORMATION ON ARRESTED CANADIANS

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would like to ask the right hon. Prime Minister whether he is in a position to give any further report regarding the situation of the Canadians at present imprisoned in Cuba and awaiting trial; and whether he has decided on the course suggested by me yesterday, of communicating directly with Premier Castro?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, as the house would expect, we are of course following this matter as closely as possible. The Secretary of State for External Affairs saw the Cuban ambassador last night and has been in telephonic communication with our own embassy in Cuba, and our ambassador in Cuba has seen the foreign minister there. I am sure hon. members of the house recognize that the government, from the cabinet to the officials concerned in the Department of External Affairs and in our embassy in Havana, have from the beginning of this case felt the gravest concern for the welfare of these two men. We have taken and will continue to take every step that we think can be of assistance to them. Our views on all aspects of the arrest and the prospective trial have, as I have already indicated to the house, been repeatedly conveyed to the Cuban government through every channel which is open to us.

If we thought it would be helpful to the two accused to tell the house in detail what has been said between the Canadian and Cuban governments, my colleague the Secretary of State for External Affairs and I would have done so before this, and would do so now. But I ask the house and my right hon. friend the Leader of the Opposition, who I know shares our grave concern, not to press me for a further statement this morning. The trial is scheduled for tomorrow, and we hope and earnestly pray that our anxiety will have been relieved before the house reassembles on Monday.

**Mr. Diefenbaker:** Mr. Speaker, I am not allowed to make a comment at this time, excepting that I should be permitted to say that the house joins with the Prime Minister in the expression of the view that nothing be done that would in any way hamper or cause potential difficulties. I would, however—circumscribed by the Prime Minister's suggestion, which I entirely accept—ask the Prime Minister, without requiring an answer, to make representation to the government of Cuba that whatever the sentences, they be not summarily carried into effect, so that further steps might be taken, if necessary through the United Nations.

**Mr. Pearson:** I appreciate very much the attitude of my right hon. friend and of other members of the house on this matter, and I can assure him the single point he has just mentioned has been made abundantly clear to the Cuban government on more than one occasion by the Secretary of State for External Affairs.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I want to direct a question to the Minister of Justice, but before doing so I might just say to the Prime Minister that I hope he can convey to the government of Cuba the great concern of the parliament of Canada and make a special appeal to them that if the death sentence is passed it will be delayed. The Cuban government must understand that all parties in this house take a very grave view of this situation, and that any appearance of injustice in the treatment of these men would certainly cause a serious situation to develop in the relations between our two countries.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the Prime Minister has suggested that I might deal with this question. I want to say that having talked to our ambassador in Havana last night, I am satisfied that the viewpoint which has been expressed from time to time in this house and in the country has been brought home strongly by our ambassador to the foreign minister of Cuba and to the government of that country.

**Mr. Diefenbaker:** And to Castro personally?

**Mr. Douglas:** I am sure all hon. members will be glad to know that. I think it will strengthen the Canadian government's hand if the Cuban government knows the people of Canada are concerned, and that it would be injurious to the good relations between our two countries if any action were taken that smacked of injustice or was peremptory.

**Mr. Martin (Essex East):** Mr. Speaker, in view of the comment of the Leader of the Opposition I would just say I have not commented on his interjection for the reasons mentioned in the statement of the Prime Minister.

[*Later:*]

**Mr. Pearson:** I wonder if, by unamimous consent, I could make a statement on the situation regarding the Canadian prisoners in Cuba. It has just been handed to me as a result of a message received from Havana.

**Some hon. Members:** Agreed.

**Mr. Pearson:** Since answering questions earlier this morning, I have now received a message from the Canadian ambassador in Havana which enables me to add to what I said a few minutes ago. Our ambassador called again this morning on the Cuban foreign minister, who gave him the following formal assurances which I quote from the English translation. They were given in Spanish:

> The Cuban government has assured the Canadian government that it is taking and will take into special consideration the Canadian government's interest in the case of the Canadian pilots held under arrest and awaiting trial accused of very serious offences for which Cuban law sanctions capital punishment.

*Inquiries of the Ministry*

If the Canadian pilots were to be condemned to death the Cuban government assures the Canadian government that it would give special attention to any appeal which the Canadian government might put forward on behalf of the pilots.

This is the end of the quotation. We cannot prejudge the issue of the trial, of course, even on the basis of this message. However, if there should be—I put this as a purely hypothetical proposition—a sentence of death the ambassador will immediately, on behalf of the government, make an appeal to the Cuban government at the highest possible level that the death sentence be commuted, if in fact a death sentence is imposed.

## PENITENTIARIES

NEW WESTMINSTER—RECOMMENDATION THAT CONDITIONS BE INVESTIGATED

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, the question I wanted to direct to the Minister of Justice arises out of the trial of three men in connection with the disturbance at the New Westminster penitentiary. The jury made several recommendations, one of which was that an independent investigation be conducted into conditions at the New Westminster penitentiary. Is the minister's department prepared to undertake such an independent investigation?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, my understanding is that when the presiding judge at a trial receives recommendations of this nature he forwards them to the Minister of Justice with his comments. Of course my hon. friend realizes I have not received them yet. When I do receive them, the recommendations will be given consideration.

**Mr. Douglas:** As a supplementary question, when the minister has received them and has made a decision, will he acquaint the house with his decision in this regard?

**Mr. Chevrier:** I see no objection to that.

## HEALTH AND WELFARE

ADMISSION OF PUBLIC TO CONFERENCE ON SMOKING AND CANCER

On the orders of the day:

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, I direct my question to the Minister of National Health and Welfare. In view of the greatly increased interest in the conference on smoking and cancer, would the hon. lady have changed her mind since yesterday regarding the press attending the conference and letting the public have maximum information?

[Mr. Pearson.]

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, after the representations which were made in the house during the last couple of days, I had occasion yesterday to go back through the correspondence, and I found that in sending out invitations some months ago, particularly to representatives of the provincial governments, I undertook that the conference would be held in camera. I therefore feel I cannot make any attempt to have the press present. However, if representatives of the provinces should decide at the opening of the conference that they wish it to be open to the press, I would certainly be prepared to go along with that.

## NATIONAL DEFENCE

LANGUAGE OF INSTRUCTION OF CHILDREN OF SERVICE PERSONNEL OVERSEAS

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is meant for the Minister of National Defence, but as he is not in the house at the moment, I shall direct it to the Prime Minister. Could the Prime Minister confirm or deny the item published by *Le Devoir* this morning and according to which children of the Canadian military personnel posted in Europe are taught exclusively in English?

**Hon. Lucien Cardin (Associate Minister of National Defence):** Mr. Speaker, I had occasion recently to go and visit our troops in Europe and I have visited the schools where the children of our military personnel are taught. I can assure my hon. friend that there are bilingual schools, and that children may learn the French language in all of our schools in Europe.

**Mr. Caouette:** I have a supplementary question, Mr. Speaker. Could the Associate Minister of National Defence tell us whether these bilingual schools are maintained by the Department of National Defence, or if they are those of the European countries concerned?

**Mr. Cardin:** Mr. Speaker, I may tell my hon. friend that these schools are operated by the Department of National Defence, which hires the necessary staff.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I would like to direct a supplementary question on that point to the Associate Minister of National Defence. When he speaks of bilingual schools, does he mean schools where all the teaching is done in English, except for one or two hours a day devoted to the teaching of French, as is done in English

schools of the country where just a smattering of French is taught?

[*Text*]

## HOUSE OF COMMONS

LOUNGES FOR SECRETARIES—RECREATIONAL FACILITIES FOR MEMBERS

On the orders of the day:

**Mr. O. W. Weichel (Waterloo North):** I should like to direct a question to the Minister of Public Works. Has he given any consideration to the matter of lounges for secretaries in the parliament buildings, and also for recreation facilities for members of parliament and the press in the suggested location in the west block?

**Hon. J. P. Deschatelets (Minister of Public Works):** I am afraid I shall have to take this question as notice.

## GRAIN

CONSIDERATION OF RESOLUTION OF SASKATCHEWAN POOL

On the orders of the day:

**Mr. Reynold Rapp (Humboldt-Melfort-Tisdale):** Mr. Speaker, my question is directed to the Minister of Trade and Commerce. Has the Minister of Trade and Commerce taken note of the resolutions approved by the delegates of the Saskatchewan wheat pool at their recent annual meeting, urging support for the two price system for Canadian wheat; or, if this system were not implemented, for annual acreage payments; or that the wheat pool continue to press for a better share of the national income for agriculture? If so, would the minister have any comments to make on this resolution?

**Mr. Speaker:** Order. I am sure the hon. member can put that into more capsule form.

**Mr. Rapp:** Mr. Speaker, on a point of privilege, this is a very important question. I am sure the Minister of Trade and Commerce is prepared to answer some of these questions.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I understood very well the question put by the hon. member. I gathered he asked what comment I had to make about the resolutions passed by the Saskatchewan wheat pool at its recent annual meeting. There were many of them and the hon. member mentioned some. May I say to the hon. gentleman that I was present at the annual meeting of the Saskatchewan wheat pool and I discussed some of these resolutions at the time. I have not yet seen the final text, but I can assure him that when these resolutions are received they will receive most careful attention.



*Inquiries of the Ministry*

INQUIRY AS TO INTERIM PAYMENT ON 1962-63 CROP

On the orders of the day:

**Mr. Lawrence Watson (Assiniboia):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. I note that he has been speaking to the wheat board recently, and I wonder whether it is the intention of the wheat board to make an interim payment on the 1962-63 crop before January 1, 1964?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I cannot answer that question directly, but I did have a discussion with the Canadian wheat board on the question of further payments. They have the matter under consideration, and a payment will be made as soon as it is possible to close out the accounts and do it in the ordinary way.

## TRADE

CRITERIA GOVERNING FINANCING UNDER EXPORT CREDITS INSURANCE ACT

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** May I also answer two other questions. One submitted to me yesterday by the hon. member for Esquimalt-Saanich which concerns the basic criteria governing long term financing under section 21A of the Export Credits Insurance Act. The established policy is to finance substantial orders of $2 million or more for capital goods in cases where long terms are necessary to win the export orders. Although no orders for boats or ships have yet been financed, they would not be ineligible. Constant consideration is being given to ways of improving the facilities and adapting them more effectively to the needs of Canadian industries seeking business in export markets. The question of the $2 million minimum amount and the question of adapting the rules to benefit small manufacturers are among the matters constantly being reviewed.

BREAD—PROPOSED PROHIBITION OF IMPORT INTO NEW YORK STATE

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** The other day the hon. member for Villeneuve addressed a question to the Prime Minister in the absence of the Minister of National Revenue, and I think the question should have been addressed to me. The hon. member asked whether the Prime Minister was aware of a bill introduced in the legislative assembly of the state of New York with a view to prohibiting the importation of Canadian bread in that state.

*Inquiries of the Ministry*

I have now been advised that a bill to amend New York state health laws, which in essence would prohibit the importation of Canadian bread into New York state, has been pre-filed, which is the usage in that assembly. The legislature does not reopen until January 8 and copies of pre-filed bills are not available for distribution until, or just before, the sessions begin. Not all pre-filed bills reach the floor of the legislature and I am assured by some of my informants that this one is not likely to. At any rate, I can assure hon. members that the progress of this pre-filed bill will be watched carefully.

WHEAT AND FLOUR—COMMITMENTS TO IRON CURTAIN COUNTRIES

On the orders of the day:

**Mr. H. A. Olson (Medicine Hat):** I should like to address a completely non-controversial question to the Minister of Trade and Commerce.

**An hon. Member:** Why ask it, then?

**Mr. Olson:** My question arises out of the fact that we are now approaching the end of the shipping season. I should like to know whether our commitments with regard to the wheat deal with Russia and the other iron curtain countries are now back on schedule according to the agreement. Perhaps the minister could also tell us whether the commitments with regard to flour have been met.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I had the opportunity of having a personal discussion with the chairman of the Canadian wheat board at the beginning of this week, and he assured me that to his knowledge all commitments undertaken by the Canadian wheat board and by the flour millers have been fulfilled. I do not really think that even during the interruptions of shipping there was in fact any default of any kind.

## HOUSING

BREAKDOWN OF APPLICATIONS FOR DIRECT LOANS

On the orders of the day:

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, yesterday the hon. member for Regina City asked me for a breakdown of loan applications for the fall program of direct C.M.H.C. loans for home owners by provinces. I have asked the corporation about this, and I am now in a position to tell the hon. member the number of applications received between September 23 and November 15, was as follows: Newfoundland, 55; Nova Scotia, 70; Prince Edward Island and New Brunswick, 78; Quebec, 4,023; Ontario, 4,681; Manitoba, 625; Saskatchewan, 553; Alberta, 2,306; British Columbia, 756. That makes a total of 13,147.

## FISHERIES

NORTH PACIFIC TREATY—REQUEST FOR STATEMENT ON ADVISORY COMMITTEE MEETING

On the orders of the day:

**Mr. Frank Howard (Skeena):** I wonder if I could now direct a non-controversial question to the Minister of Fisheries and ask him whether at an early opportunity, on motions, he could make a statement to the house of a reportorial nature about the meetings of the advisory committee of the north Pacific fisheries commission.

**Hon. H. J. Robichaud (Minister of Fisheries):** My estimates have only partly been dealt with by the committee, and when they are considered by the committee again I will be prepared to make the statement requested.

PROVINCIAL REQUEST THAT FOREIGN SHIPS LAND FISH IN CANADA

On the orders of the day:

**Mr. T. S. Barnett (Comox-Alberni):** I should like to direct a question to the Minister of Fisheries. I should like to know whether the government has received any request from one of the provinces that foreign vessels be allowed to land fish in Canada for processing. If so, has the government made any policy decision in this connection?

**Hon. H. J. Robichaud (Minister of Fisheries):** Yes, Mr. Speaker, a request has been received to that effect. The reply given was that the government would abide by the existing regulations under which no foreign vessel is entitled to land fish in Canada.

**Mr. Barnett:** I should like to direct a further question to the Minister of Fisheries. Will the minister tell the house which province made the request to which I referred in my earlier question.

**Mr. Robichaud:** In so far as I can recall, such a request was received from the province of Newfoundland.

**Mr. Lloyd R. Crouse (Queens-Lunenburg):** May I direct a question to the Minister of Fisheries. Will the minister inform the house the name of the country that wished to land and process fish in Newfoundland?

**Mr. Robichaud:** Mr. Speaker, I believe that a number of countries have expressed their desire to land fish in Newfoundland

and in other provinces of Canada. Amongst those countries were Japan and Spain.

## AGRICULTURE

REPRESENTATIONS BY EASTERN PROVINCES RESPECTING FARMERS

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I wanted to direct my question to the Minister of Agriculture, but I gather he must be away displaying his auctioneering talents, so I will direct my question to the Prime Minister. Did the government receive any representations from other eastern provinces on behalf of the eastern farmers besides the memoire presented by the farmers' union of Quebec a few weeks ago?

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

## DOMINION-PROVINCIAL CONFERENCE

CONSIDERATION OF EDUCATION OF INDIAN CHILDREN

On the orders of the day:

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I have a question for the Minister of Citizenship and Immigration with reference to the coming dominion-provincial conference. Will the subject of the education of Indian children come up? I am referring particularly to those areas where a joint provincial-federal responsibility lies. Will this question be discussed at the conference?

**Hon. Guy Favreau (Minister of Citizenship and Immigration):** Mr. Speaker, all I can say at the moment is that the general subject of Indian affairs, including the relation between the provinces and the federal government and their respective responsibilities, present and eventual in respect thereof, is on the agenda.

## DEFENCE PRODUCTION

DECISION OF GERMAN AIR LINE RESPECTING PURCHASE OF CL-44 AIRCRAFT

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** Mr. Speaker, I have a short question for the Minister of Industry. Can the minister confirm or deny the press reports that Lufthansa will not purchase the CL-44 aircraft made at Canadair?

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, I do not think that Lufthansa has reached any firm conclusion. The Department of Defence Production is making every effort it can to assist Canadair in selling the CL-44 aircraft abroad.

## BUSINESS OF THE HOUSE

CONSIDERATION OF ESTIMATES OF DEPARTMENT OF INDUSTRY

On the orders of the day:

**Hon. Gordon Churchill (Winnipeg South Centre):** Mr. Speaker, I have a question for the house leader. For the guidance of the committee of the whole house in studying the estimates today, would he let us know the order in which the various departments and agencies that come under the Minister of Industry will be taken up?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I thank the hon. gentleman for giving me notice of this question. I think it would perhaps help the house when we reach orders of the day if I were to indicate that the Minister of Industry considers it might suit everyone's convenience if the item on the Department of Industry were called first and it was understood that a general debate over the whole range of the activities for which he is responsible to the house could take place on that item. There would be no disposition on his part to seek any narrow interpretation of the rules. When the other items were reached it would be understood that they would be dealt with strictly according to the rules, which is usual with ordinary departments but is rather difficult in his case and in the case of one or two other ministers who have several agencies.

The various branches of public activity that the minister has to answer for are the Department of Industry, atomic energy, the Department of Defence Production, the national research council and the department of public printing and stationery. The minister thought he might take them in that order, but if any considerable number of members felt after the general debate that they would prefer to have a different order followed, the minister is a very agreeable member of the house and I am quite sure he would be glad to try to accommodate.

Perhaps I could go beyond answering that question in order to say that I indicated two other departments that would be available when his estimates and those of northern affairs are finished, but for personal reasons on the part of the ministers it is difficult for them to be here. Therefore my colleague the Minister of Labour will be available to fill in until 10.30 if he should be required.

## EDUCATION

REQUEST FOR ANNOUNCEMENT RESPECTING SCHOLARSHIPS

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a succinct and

direct question to the Prime Minister. It is based on an inquiry this morning from the alma mater society of a university in British Columbia for the latest information as to when the house and the country can expect an announcement with regard to the government's promised scholarship program.

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, I should like to give a succinct and direct answer to that question, and I have given it before—as soon as possible.

## REDISTRIBUTION

REQUEST FOR STATEMENT ON PROPOSED GOVERNMENT ACTION

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Secretary of State. In the light of the story appearing in this morning's *Globe and Mail* written by Bernard Dufresne, could the Secretary of State inform the house as to the government's plans, or what the government proposes to ask the house to do in the field of redistribution? When the Secretary of State gets to his feet perhaps he might deal with two aspects, the machinery for redistribution that the government has in mind and the question of whether there is to be an increase in the membership of the house so there will not be a loss of seats in some of the provinces.

**Hon. J. W. Pickersgill (Secretary of State):** Very briefly, Mr. Speaker, a government notice of motion has been brought forward today. If the house is agreeable it is proposed to take it early next week and also a bill of which I hope to give notice before six o'clock today, which will have an outline of the scheme for redistribution.

**Mr. Bell:** Scheme?

**Some hon. Members:** Scheme?

**Mr. Pickersgill:** A plan, a proposal. In respect of this matter I might say it is the view of the government that this is a constitutional responsibility imposed upon the whole of parliament for which the government, of course, has to take the initiative because it is the government, but which it is our collective duty to discharge in the best possible way. It is not the intention of the government to be insistent beyond the point of principle with which I think the house agrees, that we should have an independent, non-partisan redistribution by persons other than members of the House of Commons. It is not the intention of the government to insist in any way on any of the particulars of these bills, and any suggestions for improvements or amendments would be considered on their merits. It is the house, of course, that is going to decide these matters and not any part of the house.

As to the other question, I may say that the government has no plans now—we will have to see how the house feels about it—as to amendments to the British North America Act.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, the use of the word "scheme" by the hon. gentleman was scarcely in keeping with his subsequent remarks, but I am sure that was just an inadvertence. There is no foundation, then, for the report that the government intends to suggest to the house that the number of seats should be 286, which I believe was the number mentioned in the article?

**Mr. Pickersgill:** There is no foundation for that. The right hon. gentleman is quite correct in saying that I used a word that was perhaps unfortunate, but it was also used in connection with the British commonwealth air training scheme, of which most of us were pretty proud some years ago.

## COMBINES

NOVA SCOTIA—REPORTED PRESSURE ON AUTOMOBILE FIRM TO RAISE PRICES

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Minister of Justice. Has the Department of Justice received a brief from Provincial Motors Limited of Halifax, Nova Scotia, claiming that pressure has been brought to bear on this firm by Canadian Petrofina Limited to raise their prices? If so, is the restrictive trade practices commission investigating this complaint, and will the minister keep the house informed regarding the outcome of this investigation?

**Hon. Lionel Chevrier (Minister of Justice):** My understanding is that a brief has been received by the director under the Combines Investigation Act. As my hon. friend knows, over the years it has been the practice not to give any information concerning an inquiry until a report has been handed down by the restrictive trade practices commission.

**Mr. Douglas:** May I ask a supplementary question. Can the house have the minister's assurance that this matter will be investigated very promptly and aggressively?

**Mr. Chevrier:** I can give the assurance that the matter is in the hands of the director and will be given every attention.

## FINANCE

INQUIRY AS TO LOAN OF $250 MILLION TO PREVIOUS GOVERNMENT

On the orders of the day:

[*Translation*]

**Mr. Maurice Côté (Chicoutimi):** Mr. Speaker, I should like to ask the Minister of Finance a question of which I gave him notice. Would the minister tell the house whether it is true that the Conservative government borrowed $250 million without interest from the Bank of Canada in 1962 and that this amount was credited to the account of the consolidated revenue fund?

[*Text*]

**Hon. Walter L. Gordon (Minister of Finance):** I thank my hon. friend for giving me notice of this question. It is not a fact that the previous government borrowed $250 million from the Bank of Canada. It is a fact, however, that it was announced in September, 1962, that the government of that day was borrowing $250 million from some New York banks at 5 per cent interest for a period of 25 years.

## UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Yesterday, Mr. Speaker, I intended asking a question of the Minister of Labour, but he was momentarily out of the house and the Prime Minister sort of pinch-hit for him. However, he rather sidestepped the answer, so I am going to direct my question to the minister this morning. Can the minister tell the house when he intends to apply some of the Gill report recommendations in order to prevent some of the trouble the unemployed now have with the unemployment insurance commission?

**Hon. A. J. MacEachen (Minister of Labour):** I have nothing to add to what was said by the Prime Minister yesterday or to what I said on this subject on my estimates some days ago.

## TRANS-CANADA AIR LINES

MANUFACTURE IN TORONTO OF PARTS FOR DC-9 PLANES

On the orders of the day:

**Hon. G. J. McIlraith (Minister of Transport):** Yesterday the hon. member for Joliette-L'Assomption-Montcalm asked a question concerning the manufacture of aircraft parts. The answer to his question is no.

## LABOUR RELATIONS

TRUSTEESHIP LEGISLATION—INQUIRY AS TO INJUNCTION PROCEEDINGS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I ask a question of the Minister of Justice, and I hope it is not inappropriate. Can the minister report to the house the status of the hearing for an injunction against the trusteeship; and could he tell us whether, in the meantime, there is any question about the authority of the trustees? I am referring to the trusteeship over the maritime unions.

**Hon. Lionel Chevrier (Minister of Justice):** Yes, Mr. Speaker. Yesterday there was an interlocutory motion which was heard in Montreal testing the validity of the act which was passed by parliament, not on its merits but from the point of view of an interim injunction. The judge before whom the motion was made took it under advisement. I believe it will be some weeks before he hands down a decision. In the meantime, the act which was passed by parliament affecting the trustees and the duties and responsibilities of the trustees, I should say, is in no way affected by this motion.

## SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF INDUSTRY

*1d.* Department administration, $665,000.

**Mr. Churchill:** Mr. Chairman, I did not hear what you said. Would you please identify this vote, the page it is on, and so on?

**Mr. Drury:** Perhaps I might be of some assistance in this regard, Mr. Chairman.

**The Chairman:** This vote is to be found on page 3 of the supplementary estimates "D".

**Mr. Drury:** As the hon. member for Winnipeg North Centre pointed out last night, there are only some eight days, including today—

**Mr. Churchill:** "South Centre".

**Mr. Drury:** The hon. member for Winnipeg South Centre; excuse me. As he pointed out, there are only eight days remaining for examination of the estimates; consequently, as the house leader suggested, I will make a relatively short, general statement covering a number of departments, indicate where they will be found in the estimates book, the order in which we will be considering them, and if the house is agreeable I will suggest that a general discussion on the affairs of all these departments be undertaken initially under item 1 of the Department of Industry.

Following that we will have a detailed discussion, with the support of the officials, under each of the departments, seriatim. That is, a general discussion in relation to all the departments would take place, following which there would be a detailed discussion on each of the departments in order, under each of the votes.

The departments to be considered would be the Department of Industry, item 1, which is supplementary estimates "D" on page 3; following that atomic energy, which is in the main estimates at page 40; following that, the Department of Defence Production, in the main estimates at page 82; following that the national research council, in the main estimates at page 275; following that, the department of public printing and stationery, in the main estimates at page 335.

As hon. members will recall, the Department of Industry was established on July 25 this year in accordance with the act passed earlier in the session, and it was at that time discussed in some detail. For that reason it does not appear necessary for me to again go over the proposed duties and functions of this department, but I might describe briefly the progress which has been made since that time in setting up the establishment.

In discussing the setting up of the department it is perhaps useful to distinguish three separate phases; (1) organizational planning (2) staff recruiting and (3) operations. There is some overlapping of activities under each of these headings, naturally; but for our purposes today I think the committee will find this classification useful.

The first phase—that is, organizational planning—is now essentially complete for the Department of Industry. During the past four months a great deal of effort has been devoted to the preparation of detailed organizational plans, and the result is that the Department of Industry will consist of ten main functional branches, which are aircraft, chemicals, clothing and textiles, electrical and electronics, food products, machinery, materials, mechanical transport, shipbuilding, and wood products.

The organization of the Department of Defence Production is being altered in certain respects so that the operational structure of the Department of Industry and of the Department of Defence Production will be parallel. As a matter of fact the director of each Department of Industry branch will also be the director of the equivalent branch of the Department of Defence Production. These directors will be responsible to both the Department of Industry and the Department of Defence Production, and with this dual responsibility will be able to co-ordinate the activities of both departments in each industrial field. Legal, financial, personnel and other staff services are being provided to the Department of Industry by the appropriate officers now on the staff of the Department of Defence Production. These units, which are now in operation and have been for some time, can absorb very much more easily the impact of the new department's work than could newly created units. Furthermore, this arrangement will avoid unnecessary and consequently wasteful duplication.



The new department is now actively engaged in the activities which come under the heading of staffing and recruiting. At this point the deputy minister, as the Prime Minister announced, has been appointed, as have two assistant deputy ministers who, incidentally, in a way similar to that of the branch directors, will have dual responsibilities in regard to both the Department of Industry and the Department of Defence Production.

The directors of the present defence production aircraft, electrical and electronics, and shipbuilding branches have been appointed directors of the equivalent branches in the Department of Industry. Candidates for the positions of directors for the other branches are currently being interviewed, and we expect that these appointments will be made in the course of the next few weeks. The commissioner of the area development agency, Mr. Lavigne, and the deputy commissioner, Mr. Teeter, have been appointed and the recruiting of officers to staff the agency is now under way. In addition, the staff of the domestic commerce branch of the Department of Trade and Commerce has been transferred to, and is now working in, the Department of Industry. We expect that the recruiting and appointment of staff will be substantially complete by the end of the current fiscal year, and at that time the department should be on the way to being fully operational.

On the financial side it will be seen in supplementary estimates "D" that the total vote is in the amount of $665,000. Of this the major proportion, that is $535,000, is for salaries and wages. Most of the amount for salaries, that is $475,000, is for personnel who are expected to be appointed to the department between now and the end of the current fiscal year. Hon. members will appreciate that this is based on an estimated rate of recruitment calculated some months ago, and if this rate is not met the actual expenditure will be proportionately less. The remaining objects of the vote total $130,000 and have been estimated on a per capita basis using the experience of the Department of

Defence Production. That is all I propose to say about the Department of Industry.

Turning now to the atomic energy estimates, votes 1 and 5, which, as I mentioned can be found on page 38 of the main estimates, I would point out that these votes concern the expenditures of the atomic energy control board, regulatory body set up by the Atomic Energy Control Act in 1946. The primary function of the board is to control dealings in atomic energy materials and equipment in the interests of national security and health and safety. It administers this control by means of a licensing system operated under the atomic energy control regulations.

Vote No. 1 is to provide for administration expenses of a staff of 15 employees and two advisory committees to assist the board in its operations. Most inspection of atomic energy activities is carried out on behalf of the board by other organizations, such as the Department of National Health and Welfare and provincial health departments, but the board's staff includes inspection officers with experience in the design and operation of nuclear reactors and in the problems of nuclear safety associated with the handling of enriched uranium.

Under the Atomic Energy Control Act the board is also authorized to make grants in aid of atomic energy research and training. Since the war the board has assisted Canadian universities to purchase and operate major items of atomic energy equipment to enable them to carry out fundamental atomic energy research and to train the engineers and scientists needed for future atomic operations in this country. Vote No. 5 is for the purpose of continuing this aid for university atomic energy research and training.

Votes Nos. 10 and 11 relate to Atomic Energy of Canada Limited, a crown corporation. Its work may be divided roughly into three parts. These, of course, are closely related and progress in one usually yields side results that are important to the others. The first part of A.E.C.L.'s work, and one I will be referring to briefly later on, is fundamental research in all areas of nuclear science. The second, and by far the largest part of A.E.C.L.'s work, is to promote the use of uranium as a source of economic power. This means applied laboratory research and large scale industrial development. The third part of A.E.C.L.'s work is to promote the production and use of radioisotopes as tools in medicine, industry and many other fields of endeavour.

During the last parliament a special committee on research engaged in a study of A.E.C.L.'s work. I am sure members of that committee will remember that A.E.C.L. has centred its nuclear power program on reactors that use natural uranium for the fuel and heavy water for the moderator. This system is technically and economically attractive, particularly for public utilities in regions where water power has already been fully harnessed and where there is no low cost coal, oil or gas.

One of its many attractions is that the fuel system is much simpler than that of other nuclear power systems, since no elaborate plants are needed to prepare the fuel for the reactor and no chemical processing needs to be done after the fuel leaves the reactor, having served its purpose.

Canada's first nuclear power station has now been in operation for more than a year. It is located about 140 miles from here, near Rolphton, Ontario. The day to day operation of the station is under the control of the Hydro-Electric Power Commission of Ontario, which feeds the electricity produced into its electricity network. In the last year the station has been operated for specific periods to demonstrate that it is reliable and can stay on line for extended periods of time. Between these demonstration runs, components have been checked and improvements made to the plant. It is interesting to note that the major causes of trouble in the demonstration runs came from the more conventional items of equipment, such as turbine valves and auxiliary diesel motors, rather than from the nuclear portion of the plant.

This N.P.D. station is small, and generates only 20,000 kilowatts of electricity. Another station with 10 times the output is under construction by Atomic Energy of Canada Limited at Douglas point on the eastern shore of Lake Huron. Ontario Hydro is again cooperating in the construction and will operate the station when it is complete. The construction is going very well and should be finished on schedule less than a year from now. One of the most gratifying features, and I am sure this will commend itself to all hon. members, is that the costs to date are slightly lower than had been estimated. A.E.C.L. expects Douglas point to begin operating at full power during 1965, and when its performance has been adequately proven Ontario hydro has indicated its intention to buy the station from Atomic Energy of Canada Limited.

**Mr. Douglas:** This is a heavy water plant?

**Mr. Drury:** This is a heavy water using plant but not a heavy water production plant.

But even Douglas point is being dwarfed by designs that are now under preparation. Requirements are developing for stations to produce 500,000 kilowatts, or 500 megawatts, and probably for several such stations on a

single site. Agreement has been reached with Ontario hydro that a nuclear power station of approximately 500,000 kilowatts capacity should be designed, and A.E.C.L. is now designing the nuclear part of such a power station and Ontario hydro is designing the conventional part of the power generating system. Negotiations are currently under way between the federal government, the government of Ontario and Ontario hydro on arrangements that could be made for the construction of a number of these very large stations in the province of Ontario.

**Mr. Douglas:** Are these heavy water using plants?

**Mr. Drury:** Heavy water using plants.

**Mr. Douglas:** These large plants, these 500,000 kilowatt plants—

**Mr. Drury:** They are designed to use heavy water as the moderator.

Looking further into the future, A.E.C.L., in co-operation with Canadian industry, is studying ways to improve further heavy water nuclear power systems. The heavy water moderator nuclear power system is the technique which A.E.C.L. has been extraordinarily and uniquely successful in developing, and it is with a view to securing a greater use of that technique that the conversations and negotiations are being conducted with Ontario hydro.

**Mr. Douglas:** Before the minister leaves that point, what are the arrangements between Ontario hydro and his department regarding costs? Are costs shared for installation and operation?

**Mr. Drury:** There is no general formula for cost sharing as between A.E.C.L. and Ontario hydro. There are different cost arrangements in relation to the initial reactor at Rolphton, Ontario, and the one that is now nearing completion at Douglas point. There will probably be different arrangements yet again in relation to the larger plants on which negotiations are just starting. There is, however, a clear definition of functional responsibilities, in that A.E.C.L. takes full responsibility for the proper design and successful operation of the nuclear energy portion of a generating station, whereas Ontario hydro concerns itself with the design and proper functioning of the so-called conventional elements using the energy to convert it into electricity.

**Mr. Douglas:** Is the same type of financial co-operation available to other utilities across Canada?

**Mr. Drury:** I would say that in general the government would contemplate making available to any other province, or hydroelectric commission of a province, the same kind of financial arrangements which have been made in respect of Ontario.

Although Ontario is at present the province with the main interest in nuclear power, A.E.C.L. recognizes its responsibility for advising and assisting Canadian utilities in other provinces that might be interested in incorporating nuclear power stations in their systems. Canadian manufacturers are also being kept informed and are being assisted in learning the new technology so they will be in a position to supply components for nuclear power stations in Canada and abroad. A.E.C.L. is constantly having technical discussions with Canadian manufacturers. It welcomes the attachment of scientists and engineers from industry to work as members of its design and development teams, and it places development contracts with industry to a total value of approximately $5 million per annum.

Several countries have been showing a growing interest in the Canadian nuclear power system which I have described, and this has been demonstrated quite dramatically in the last few weeks. Toward the end of October A.E.C.L. announced that a technical agreement had been concluded with the United Kingdom atomic energy authority. This authority is building a heavy water nuclear power station that will have a generating capacity of 100,000 kilowatts. This station is different in some ways from those designed in Canada, but it also employs heavy water as the moderator. Under the agreement the United Kingdom atomic energy authority has paid A.E.C.L. $750,000 for the information developed in this country on heavy water moderated reactors. Canadian industry is, however, protected in that Canadian know-how on nuclear power stations and their fuel will only be passed to British industry under licence.

Last week my colleague the Secretary of State for External Affairs announced that two agreements had been reached with the government of India. One was for technical co-operation between A.E.C.L. and India's department of atomic energy. The other was an agreement between the governments for the construction of a 200,000 kilowatt station—similar to the one nearing completion at Douglas point—in the state of Rajasthan in India. The Indian government chose the Canadian designed station as the best means of generating electricity in this part of India. They satisfied themselves that electricity from this power station would be cheaper than any alternative conventional electricity generating station, even though the station is to be built on normal commercial terms. There is no Colombo plan or other aid, either as

gifts or low interest loans. About half of the $70 million required will be spent in Canada, and normal Export Credit Insurance Corporation financing has been accepted. This selection of the Canadian system by another country is something of which we can all be justly proud.

I might say a word now about the A.E.C.L. program of fundamental research. This work does not often result in newspaper headlines, but we all know how important it is. This type of research gives the scientists and engineers greater understanding and a greater confidence in all their work. Since it is dealing with the frontiers of knowledge it stretches the minds of all those who are engaged in it, and gives the laboratories a pool of talented and qualified people.

Besides nuclear power, the use of radioisotopes is the other principal peaceful application of atomic energy, and is the third main part of A.E.C.L.'s program. A.E.C.L.'s commercial products division markets these radioisotopes for use in agriculture, industry, medicine and research, and also designs and manufactures lines of equipment employing radioisotopes as a main element. The commercial products division now handles over $4 million worth of business of this kind per year, and nearly 90 per cent of this is in the export market. They compete successfully with their foreign competitors without any subsidy, hidden or otherwise. They operate on a normal commercial basis. Perhaps one of the reasons they are so successful is that they have been plowing back 16 per cent of their earnings into research and development. May I suggest that we deal with the votes when we revert later to consideration and detailed discussion of this particular department.

The next department with which I should like to deal, Mr. Chairman, is the Department of Defence Production. This will take a few minutes, so I suggest it might be convenient to hon. members if we were now to call it one o'clock.

**The Chairman:** Is that agreed?

**Some hon. Members:** Agreed.

At one o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 2.30 p.m.

**The Chairman:** I understand I should now rise, report progress and ask leave to sit later this day. Is that agreed?

**Some hon. Members:** Agreed.

Progress reported.



*The Late President Kennedy*

## THE LATE PRESIDENT KENNEDY

EXPRESSIONS OF SYMPATHY ON DEATH BY VIOLENCE

**Right Hon. L. B. Pearson (Prime Minister):** I rise, Mr. Speaker, to express, if I may, the feelings of shock and grief felt by all of us at the news of the attack on the life of the President of the United States. I rise also to convey on your behalf and, perhaps I may be permitted to say on this occasion, on behalf of all the people of our country the sense of desolation and dismay which we felt on the receipt of this news, a feeling which we share with the citizens of the United States of America.

I would also like to express our sympathy and convey our prayers to the wives and families of the President and the governor of Texas. I am sure that when the news came over the air our first thought was for them. I was about to add that with this sympathy went our fervent hope and prayers for their recovery, but I have just received a message that President Kennedy died at 2 p.m.

A heartbreaking tragedy has occurred. The world can ill afford at this time in our history to lose a man of his courage, a courage which he displayed both in war and in peace. It can ill afford to lose a man of his wisdom, his determination to advance the cause of freedom in his own country and in the world.

This is a tragedy not only for the President's family and for his people; it is a tragedy for all of us. No people outside the United States will share more deeply in this tragedy than the people of Canada, the neighbour of the United States.

It is difficult for me to say anything more at this time. Our hearts are filled with sadness.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** It is difficult to find words to express the feelings of all who love freedom in this terrible tragedy which has taken place. One thinks of the words of the secretary for war when Lincoln was assassinated: "Now he belongs to the ages". And as Lincoln died endeavouring to bind the wounds that followed the civil war and to assure to those who were negro the right to stand upright as men, whatever history may record of President Kennedy, his stand on behalf of the equality of all men without regard to colour was to me an earnest endeavour to bring about the culmination of the dreams, the idealism and the life work of Lincoln.

It has been the penalty of greatness in the United States that its presidents walk constantly in the valley of the shadow of death. It is worthy of mention that under

the British tradition of government, leaders have been singularly free from the assassin's hand. One prime minister of the United Kingdom only—in 1812 I think it was—died at the hands of an assassin. We in our country have been free from this, except in the case of two of our statesmen, D'Arcy McGee and George Brown. A tribune of freedom has gone. Whatever the disagreements, to me he stood as the embodiment of freedom not only in his own country but throughout the world. Canadians, yes, free men everywhere, will bow their heads in sorrow.

All of us would like to convey, as the Prime Minister has so eloquently done, our sympathy not only to Mrs. Kennedy and the family but to the people of the United States. Free men everywhere mourn. Mankind can ill afford to lose this man at this time.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I am sure that all of us, like the people of Canada, are stunned at the news of the assassination of the young and far seeing President of the United States. President Kennedy was a good friend of the people of Canada, and I think the people of Canada had a high regard for him. I think they watched with deep sympathy his endeavours to bring about racial integration and a better understanding among the people of his own country with regard to the problem of minority groups.

This tragedy is all the more pronounced since it has taken place in a democracy; because in democracies there are constitutional and peaceful means to bring about changes of government. It is a reflection on a democracy when an assassination like this takes place.

I am sure all of us are grief stricken at this sad news. I know that the Prime Minister will convey to Mrs. Kennedy, to Vice President Lyndon Johnson and to the government of the United States our deepest sympathy in this tragic hour, and our hope that the government of the United States will go forward with its program to develop a better racial understanding in its own country and to promote the interests of peace throughout the world. The members of this group join with the government and all members of the house in expressing our sympathy on this tragic occasion.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, I join with those who have already spoken. We are shocked and deeply grieved by the assassination of President John F. Kennedy of the United States. I am sure it is the thought and wish of every Canadian, not just those in this chamber this afternoon, that we extend our sympathies to his wife and family and also to the American people at this tragic time. We in Canada have watched his administration with perhaps keener interest than any other people in the world, and certainly we are grieved by this unfortunate incident that has taken place just a little while ago.

President Kennedy was a man who brought youth and a new ambition to the administration of the United States. He tackled the duties of his high office that carries such tremendous responsibilities with devotion and determination. Not only the people of the United States and of Canada, not only the people of the western world, but the people of all the world are the losers in this event.

As has already been said, we can ill afford at this time to lose a man of the calibre of John F. Kennedy. I think it would be well that when the Prime Minister sends the sentiments and sympathies of this house to the family of President Kennedy and the American people that he should also send our sympathies to the family of Governor Connally and the people of Texas.

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, our group wishes to add its own tribute to that of the house, which unanimously extended its most sincere and deepest sympathy to those who are most sorely tried by this tragedy which has fallen upon the free world today.

The fact must be stressed that we find extremely loathsome acts such as this one which do nothing to strengthen the cause of those who are responsible for them. A man may be assassinated, but you cannot kill the principles he stood for. Others will rise after him to keep on defending his ideas and to promote democracy among the free nations of the world.

[*Text*]

**Mr. Pearson:** Mr. Speaker, as a tribute to and out of respect for the President, our friend, as a token of sympathy to his wife, for whom this has been a dark year, and to his family; and as an indication of our desire to share in the grief of the American people, I move, seconded by the right hon. Leader of the Opposition (Mr. Diefenbaker), that this house do now adjourn until Monday.

Motion agreed to and the house adjourned at 2.50 p.m.

# HOUSE OF COMMONS

**November 25, 1963**

The house met at 2.30 p.m.

## THE LATE PRESIDENT KENNEDY

SILENT TRIBUTE TO THE LATE PRESIDENT OF THE UNITED STATES

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, we are about to resume the discharge of our responsibilities for the nation's business, which we suspended on Friday after receiving the shocking news of the death of the late president of the United States. Just two hours ago in Washington the nation that President Kennedy led so brilliantly, joined by the representatives of countries far and near, paid a last formal tribute to him. As a mark of our respect and sorrow I should like to suggest to the house that before we turn to the business of the day the members stand for one minute in silent tribute.

[*Whereupon the house stood in silence for one minute.*]

## BUSINESS OF THE HOUSE

SUSPENSION OF ROUTINE PROCEEDINGS— ADJOURNMENT AT 6 P.M.

**Mr. Speaker:** I understand that agreement has been reached by all members that we will dispense with routine proceedings and pass at once to legislation, and that at 5 p.m. we will suspend the hour for private members' business and adjourn at 6 p.m. Is it so ordered?

**Some hon. Members:** Agreed.

## RAILWAY ACT

AMENDMENT EXTENDING PAYMENTS FROM GRADE CROSSING FUND

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

That it is expedient to introduce a measure to amend the Railway Act, chapter 40 of the statutes of 1958, as amended by chapter 35 of the statutes of 1960, to permit certain grants to be made from the railway grade crossing fund for a further period of three years beyond January 31, 1964.

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

**Mr. McIlraith:** The purpose of this legislation is to extend for a further period of three years, from January 31, 1964, an expanded program of assistance through the railway grade crossing fund for the provision of reflective markings on the sides of railway cars, for the cost of protective work at level crossings, and for the building or reconstruction of grade separations.

In 1955, following an investigation into the matter of grade crossing protection assistance by the board of transport commissioners, section 265 of the Railway Act was amended by increasing the annual statutory grant to the grade crossing fund from $1 million to $5 million. At the same time the limits on the contribution to any single project were raised from 40 per cent of total cost or $150,000 maximum to 60 per cent of total cost or $300,000 maximum. Provision was also made for the first time to allow contributions from the fund for reconstruction and improvement of grade separations which had become obsolete in the course of time.

The result of this was a marked expansion in the program of crossing protection and removal throughout the country, and a backlog of worth while projects accumulated in excess of the resources available to the grade crossing fund. In 1958 section 265 was therefore again amended providing for a further expansion in the maximum limits of funds that could be applied to single projects. These became 80 per cent of cost to a maximum of $500,000 for projects at level crossings, and 50 per cent or $250,000 for the reconstruction of existing grade separations. Beginning that year a supplementary grant of $10 million for the fund was voted in the estimates. This legislation provided a three year period for the expanded limits just described. In 1960 the period was extended by another amendment of the act.

This period will expire on January 31, 1964. The present bill will provide for the extension of the period for a further three years, until January 31, 1967. What is being sought today is authority to continue that extended limit for the further period of three years.

This legislation also deals with another matter which has nothing to do with expenditure. Recently in the supreme court of Alberta, trial division, a decision was handed down having to do with the speed of railway trains at crossings where protection had been ordered. The interpretation placed on the section of the relevant statute is somewhat

different than that which had been the basis of railway practice. The effect of the decision is that once an order for protection has been approved, the railways are then required by law to pass over the crossing concerned at 10 miles an hour. It had been the practice, where crossings of this type had been involved, and the time for installing the protection had passed, that trains should be required to pass over the intersection at this limited speed. The interpretation placed on it by the Alberta judgment also meant that trains could not speed up once they had entered the crossing.

**Mr. Diefenbaker:** Whose judgment is that?

**Mr. McIlraith:** Mr. Justice Manning's. Once the trains had entered the crossing it is felt they should be able to speed up. One result of the proposed change is that the board of transport commissioners can deal with the question of the speed when they are making the order. The effect of the judgment is that the practice of trying to get from the highways departments of the provinces the various crossings with which they are concerned and make the orders as early in each year as possible, although work on those orders might not be carried out until considerably later in the year, would have to be changed or discontinued; and it is thought that this would mitigate against the effective use of the grade crossing fund.

From my observations in the house over a vast number of years I must say that I think this is legislation of a nature that has commended itself to all parties in the house, and I would hope that the legislation for which leave is now being sought would appeal to the house in the same way.

**Mr. Mather:** Mr. Chairman, I wonder whether it would be in order at this time for me to ask the minister a question regarding these level crossing procedures. Has the government given consideration to the brief submitted by the Canadian Automobile Association and the representations of other road safety organizations, which I understand are advocating the arm type of railway crossing guard protection involving the lowering of the guard at the crossing? Further, has the department considered the wisdom of guarding crossing approaches by means of the standard highway safety signs used in the provinces?

**Mr. McIlraith:** I think I should point out to the hon. member for New Westminster that this is a matter that is dealt with by the board of transport commissioners, not by the department. Briefs have been submitted to them. The board of transport commissioners works very closely with the provinces in this matter. The relationship is quite close, and I have reason to believe it is relatively satisfactory to both parties concerned. The program also appears to have had some effect in reducing the number of accidents. I think hon. members will be glad to know that there is a declining number of accidents at these crossings each year. That process has gone on since 1958. This is particularly significant when you bear in mind the sharply increased number of automobiles on the highways each year and, regrettably, the sharply increased number of automobile accidents taking place each year.

**Mr. Howe (Wellington-Huron):** Mr. Chairman, I should like to say a few words on the very important piece of legislation before the committee this afternoon. That it is important practically every member in the house will agree, because they will have memories of tragic accidents that have occurred at level crossings in their ridings. I well remember some that have occurred in my riding or adjacent to it. One accident that stands out in my mind particularly took place at Hillsburgh, a few miles from Guelph, just a few short months ago. A school bus was struck by a train. Quite a number of young students as well as the driver of the bus were killed, and there were serious injuries to others riding in the bus.

Grade crossing separation is a progressive practice that has been going on for some time, and a great many have been installed at level crossings throughout the country. The fact is that trains are not running as regularly as they used to because of the reduction in traffic, but I think it is just as imperative now as it ever was that grade crossing separations be carried out. People become careless. When they come to a railway crossing they should realize that the only way to get across safely is to proceed on the basis that any time is train time, and take all the necessary precautions.

However, at times the public have to have this brought to their attention more forcibly through the installation of signal lights and crossing arms, which are still important factors in preventing accidents. In this day and age, when people are travelling faster in their motor cars and when railroad trains are travelling faster, I think it is important that this legislation be kept in force. I was noticing that in the estimates for 1960-61 the fund stood at $10 million and was then reduced to $5 million. Perhaps when the minister is replying he might tell us just where the fund stands at the moment. He might also be able to tell us how many applications there are before the board at the moment for the installation of signals, crossing arms or grade separation, as it is called.

There is one other point I should like to mention. When this act was being amended in

1958 a provision was introduced to make it possible for the railroads to put reflective markings on the railroad cars. Periodically we pick up our newspapers and learn that someone travelling along a road at night or perhaps during a storm when visibility was poor has run into the side of a train at a crossing. I well recall the arguments put forward in this connection by a former member of this house, Mr. Gordon K. Fraser. This was one of his ideas, that railroad cars should have reflective markings on the side so they would stand out at night. We know that some of the Canadian National cars are now marked in this way, and they are more easily seen as they are moving over a crossing during a period when visibility is poor. I was wondering if the minister would have any idea how far this work has progressed, and what the plans of the railway are for the future in regard to putting these reflective markings on railway cars.

This act is to be extended for another three years, and I am sure the people of Canada who travel on our highways will be happy to learn of this fact, because we want to do everything possible to minimize the danger of accidents at railway crossings.

**Mr. Thompson:** Mr. Chairman, there is just one matter I want to mention. It is simple, but I believe it is important. We all realize that we are dealing with money which will be allotted for the installation of railway crossing safety devices. We are concerned about this because everyone knows that from time to time serious accidents are occurring across this nation which in the aggregate are taking the lives of many Canadians.

Not only are our newspapers full of references to such accidents but we each have our own experiences in our own areas in this connection. Only a few months ago in my own city of Red Deer a whole carload of people lost their lives while riding in a taxi when the car collided with a train at a crossing at which there was not ample protection.

I am thinking specifically, however, of a bus accident which occurred at Lamont, Alberta, a few years ago, in which a whole busload of children were involved, many of whom lost their lives. At that time the committee investigating this mishap received evidence regarding a comparatively cheap safety device which was actually demonstrated at the time. This device is activated by a low power radio transmitter on a locomotive engine and makes contact with any nearby vehicle that has the corresponding device installed inside it. Cost of installation of this type of device, both for the railroad and the automobile, is comparatively cheap and can be reckoned in terms of tens of dollars instead of hundreds of dollars, which is the cost of the normal automatic safety device. Because it is safe and simple, and because it gives a certain amount of protection, it could serve in many places where accidents take place almost daily.

I would like to ask the minister whether any consideration has been given to the acquisition of this type of safety device which could be used particularly by public vehicles, and in many cases by people who frequently use unprotected railway crossings. I do not think any of us can be complacent in the face of this appalling toll of human life which takes place month after month, and certainly this device is worth investigating. It would give much more widespread protection, at an inexpensive cost compared to the very expensive type of safety signal now being used. Does the minister have information in regard to this?

**Mr. McIlraith:** Mr. Chairman, the hon. member for Wellington-Huron asked some questions, and I want to point out to him that the method of voting the money in the estimates was changed because it was found that the actual expenditures were not taking place in the year in line with commitments. The form of the estimate is now really a commitment authority, but it adds up to the same thing. It is a different and I think a better way of doing it. This method was decided upon in the light of experience, and there is no reduction of funds. The $10 million which was formerly provided in the estimates as a direct vote is now provided by way of direct vote and by way of commitment authority, and it brings the full amount up to the equivalent of $15 million a year.

In answer to the questions about the application, and so on, I should perhaps inform the committee there are about 35 active applications for grade operations; there are about 400 active automatic protection projects, and the rate of putting reflectors on the cars—whatever that is called—is about 6,000 cars per year. The number of grade crossings that are having reflectorized material put on the crossing signs is about 2,500 per year. I hope these statistics have given the answer to the hon. member for Red Deer. If not, and if he will restate his question, I will try to give him the information.

**Mr. Thompson:** I am somewhat familiar with the cost of the normal automatic signal device which is being installed and being presently considered for several hundred crossings, but I am interested in something that is cheaper, which might not give the same degree of safety but which could

prevent many of the accidents which take place. Has this cheaper type of device, this radio controlled device activated from a locomotive installation, been considered by the department both as a safety and economy measure?

**Mr. McIlraith:** I find myself a little vague as to the device the hon. member is talking about. Is he talking about the device that would be in the automobile?

**Mr. Thompson:** Specifically, Mr. Chairman, I am thinking about the device that was demonstrated and recommended at the time of the investigation into the grade crossing accident involving a school bus at Lamont. At that time this safety device was suggested, and it certainly could protect all public vehicles. It would be a two instrument device, the controlling device being on the locomotive itself and the receiving device in the vehicle on the highway. It was also indicated at that time that it was so cheap that even private passenger cars could install the receiving end of this automatic signal device.

**Mr. McIlraith:** Mr. Chairman, I now understand the hon. gentleman's reference. The safety device was considered by the board, but the difficulty is that it would not be effective unless it were adequately maintained in the motor vehicle. That is one difficulty in the matter; nor can the board require the installation of such a device in a bus, for example. There are some other limitations of a more technical nature, but I have given the short answer to the question. There are other lesser objections to it.

**Mr. Thompson:** I was concerned, Mr. Chairman, with the comparative cheapness of this device, and I was thinking particularly of public vehicles. The accident I was talking about, which happened in the city of Red Deer only a few months ago, concerned a taxi all the occupants of which were wiped out. It would seem to me that while you could not require it to be put in private vehicles, there would certainly be co-operation on the part of provincial authorities, who would be happy to give public vehicles this protection. At the same time it should be made available to private vehicles. I think something like this should be considered, in view of its cheapness, contrasted with the expense of the automatic signal device the minister is mentioning, in terms of its being considered for 400 crossings at the present time. I believe something like this ought to be considered in every possible aspect.

[*Translation*]

**Mr. Caouette:** Mr. Chairman, this resolution seems entirely in order and even commendable, because it recommends the granting of subsidies to the railway grade crossing fund for a period of three years.

All Canadians know that grade crossings constitute a public danger which must be eliminated as much as possible through the efforts of the Canadian government.

Automatic safety signals are needed not only in some regions but throughout the country. By warning of danger, they will prevent a great number of deaths.

However, grade crossings are still tolerated in some cities. May I quote one example about which I wrote to the minister in order to draw his attention to the fact that in Noranda, in the riding of Villeneuve, two railway tracks cross Murdoch street in the very centre of town. Indeed, there are automatic signals but sometimes people must wait as much as 20 to 30 minutes before being able to cross these tracks. Traffic is at a standstill during this time. We request that a viaduct or an elevated road be built which would eliminate the dangers of these grade crossings.

We have now before us resolutions providing for works to be performed in Canada in order to give employment during winter to the greatest possible number of people. If amounts allotted to winter works were spent to build elevated tracks or viaducts wherever traffic is heavy enough, it seems to me that the grade crossing fund might make a large contribution to their erection.

Mr. Chairman, this matter is very serious and the settling of this problem most urgent.

I suggest that grade crossings should not only be equipped with automatic signals, but they should be eliminated altogether and replaced by viaducts or elevated tracks wherever there is a need for them.

[*Text*]

**Mr. Rapp:** Mr. Chairman, I would like to direct a question to the Minister of Transport pertaining to this matter of railway grade crossings. What is the cost sharing arrangement among federal, provincial and municipal governments? The experience I have had with the applications presented by some municipalities is such that the railroads, it appears to me, are very reluctant to have these crossings protected, although there is a great need for this to be done. I have the impression that the cost sharing arrangement does not appeal very much to the railroads, in some cases. Also, is the cost sharing arrangement the same in all cases, or is it different in the case of some crossings than it is in others? Would the minister give me an answer to this question, please?

**Mr. McIlraith:** Mr. Chairman, to the extent that I can I will be very glad to do so. As to

protective devices, unless there are special circumstances the cost of installing protective devices at level crossings, such as flashing lights and so on, is apportioned as follows: the fund, 80 per cent; the highway authority, 12½ per cent; the railway, 7½ per cent. As to grade separation, unless there are special circumstances the cost of constructing a grade separation to eliminate an existing level crossing, or to divert substantially all highway traffic from it, is usually apportioned as follows: where the cost is not more than $625,000, the fund 80 per cent or $500,000, whichever is the lesser; the highway authority, 15 per cent; the railway, 5 per cent. Where the cost is more than $625,000, the fund $500,000, and the remainder according to the particular circumstances. I think that answers the hon. member's question.

**Mr. Rapp:** Mr. Chairman, nothing was said about the share provided by municipalities. Is there any arrangement in this cost sharing procedure under which municipalities must also contribute to the cost?

**Mr. McIlraith:** It is the highway authority, whatever that highway authority may be, whether it is municipal or provincial.

**Mr. Peters:** Mr. Chairman, this is a very important resolution in that in connection with grade crossings someone is always fatally injured before anything is ever done about the spending of money from this particular fund. I am sure every riding has had a serious accident at some time or other before signals were installed or other protection given at almost every major crossing. It seems a great waste that this should be so.

I wonder whether the government has given consideration to establishing a technical advisory staff to provide municipalities or the provinces with a survey to indicate when a certain crossing is of such a nature that it warrants this kind of assistance. I am thinking of a particular accident which happened not long ago, as a result of which there was a certain amount of politicking as well as other factors. This accident occurred at a provincial railway crossing which was not under the jurisdiction of the board of transport commissioners. I realize that the board of transport commissioners does stipulate in relation to the grade crossing fund that if the traffic over a particular railway is sufficient, then before construction of the railroad can be completed these devices must be installed or that a separation of grade must be constructed.

In the case of this accident, as an election was due the construction of a by-pass became a political issue. The by-pass was routed across a railway on the northern trans-Canada highway. The police were very surprised that it took ten days before the first fatality occurred on the level crossing. To make matters worse, earth had been piled up to make a grade separation on the road itself, and the road curved around the pile of mud, putting the level crossing in a position where it was almost impossible to see. In this case the board of transport commissioners could not exercise authority, so the department of highways and the railway got together and made an agreement. To make matters even worse, I understand the agreement provided that if there was an accident on the crossing, no matter what the insurance was the provincial department of highways would cover the cost so the railway would not lose any money. The reason I mention this case is because separation of grade will eventually take place, but I imagine it will be some 10, 15 or 20 years from now.

A few miles from that crossing there was another grade separation over a railway track. For 15 years it kept settling year by year, and a little fill was added from time to time. Then an election would occur and someone would say "We have to separate the grade". A little more fill would be put in; then that fill would drop and they would say it was not possible yet. I suggest that is what is going to happen in this case. It was almost 20 years before separation of grade resulted in the first case I mentioned, and I suggest that if left to their own devices it may be just as long in this other case.

I am wondering whether the federal government should have connected with the fund a number of technical advisers who would be able to suggest alternative methods of grade separation where such was indicated. In this particular case there is a terrific problem in that there is no solid bottom at the crossing in question until 80 or 100 feet down. There is even the suggestion that there may be quicksand close by. So undoubtedly a difficult problem of construction is involved, and technical advice would certainly be advantageous. But this would bring about what everybody knows must be done, and grade separation would take place by means of either an underpass or overpass. However, it is a problem which the department of highways of Ontario is completely incapable of solving at the present time.

Another thing we are interested in and for which there is great demand in my part of the country is the amount made available for the supply of markings to give protection to traffic approaching a line of box cars crossing the road at a level crossing. Personally I had the idea that when we passed a measure similar to this some years ago, box cars would be marked in a similar fashion to the way road signs are marked and would be easily

discernible when the headlights of a car 500 or 1,000 feet away illuminated them. I think it would be particularly useful to have a broken line of marks which would allow a motorist to see there was an obstruction ahead even in fog or rain. Personally I have yet to see, particularly in northern Ontario, when driving around the country any of these box cars marked in a fashion to provide the protection which this house had agreed was necessary.

I realize that these devices are very expensive to instal, but I had understood it was agreed that it was mandatory to instal them on all new cars; that when locomotives or rolling stock were built it was compulsory that they be given this reflective marking, which was to be paid for by the fund. By this means, in a relatively short time we could paint all the box cars with this reflective paint so that sooner or later they would give this protection.

I have not seen, to my knowledge, any cars in northern Ontario so marked. It may be that they are marked, but if they are then the reflective material used is of no value whatsoever. The minister may have some information on this and it might be possible, before the bill comes before us, for him to indicate whether there are any of these cars in the local yards in Ottawa which we could look at. I think we have been wasting our money if this provision does not give better protection than that which I have seen on the new cars of the Canadian National Railways, the markings of which are in no way, in my opinion, reflective.

This matter is very important, Mr. Chairman. Much useless slaughter occurs on our highways because of the inability of motorists to ascertain when trains are approaching level crossings. There are no doubt many areas where the municipalities are going to have to be given some assistance to ascertain how they can provide separation of grade in a reasonable manner. One of the previous speakers mentioned that the municipalities, the towns, villages and townships, are quite often more interested in providing this protection than the department of highways. It would seem quite easy for the department of highways in most cases to provide grade separation on new track if the traffic crossing it so warrants. But for municipalities, and especially small municipalities, it is difficult to find the money and sometimes, until disaster strikes, to find the will and support necessary to provide these facilities.

I mentioned the fact that in my home town, which is a relatively small town, there was considerable complaint about children having to cross a level crossing which was situated about three blocks from where signals were installed near the station. There was considerable debate over whether a new block signal should be installed or whether they should hook a relay on to the block system already there. While that matter was being debated, because the problem was not immediate nothing was done and a woman was killed. Within a few days these block signals were installed; it seems that the money was forthcoming.

I strongly urge that the technical advice available to the department should be supplied to the provinces and the municipalities, as well as to some of the railways which do not come under the board of transport commissioners. I do not think it would be difficult for us to furnish this information.

[*Translation*]

**Mr. Ricard:** Mr. Chairman, I would not want the resolution now before us to be disposed of, without submitting to the Minister of Transport (Mr. McIlraith) a few observations concerning the welfare of the inhabitants of my riding of St. Hyacinthe-Bagot.

The minister is well aware that my riding is criss-crossed by both our railway systems, the Canadian Pacific and the Canadian National. My riding is cut in half by two main lines operated by the Canadian National, and the numerous level crossings are a hazard to the lives of my fellow citizens. I submit that all necessary measures should be taken to avoid further accidents.

In the last few years, with the co-operation of the minister's predecessor, many level crossings were equipped with light signals. Unfortunately, at certain crossings, serious accidents have occurred quite recently. I am thinking of the accident which killed several people at St. Eugene, and of another one which killed two inhabitants of Montreal at St. Liboire.

Flashing signals have now been installed, but it is most unfortunate that action had not been taken sooner to spare lives.

On the other hand, I know that a request for flashing signal lights has been made concerning level crossings at St. George and St. Edward in the parish of St. Liboire. Orders have been issued for the construction of a protective system at those two places.

I also ask the minister if he could not use his influence to speed things up even more.

There is also the crossing at St. Augustin for which no request has been made, in view of its importance, special consideration should be given to the installation of an adequate protective system there.

I would also like to renew the request I made some time ago to the minister for the installation of flashing light signals at

the level crossing to be found on the seventh range of the parish of St. Germain de Grantham.

The provincial department of highways has recently improved the highway between the two important towns of Wickam and St. Germain. As time goes by, traffic is getting increasingly heavier over there.

I should like to renew a request I made to the minister on November 5, so that delays may be reduced to a minimum in order to provide adequate protection to the constituents of St. Hyancinthe-Bagot in particular and to the travelling public in general.

Let us not wait until further tragedies happen before taking prompt action. Let us instead apply the saying that prevention is better than cure.

I am quite aware of the minister's dispositions and I am assured of his full co-operation. Should he need further details, I would be very happy to send them to him.

[*Text*]

**Mr. Olson:** In commenting briefly on this subject, I should like to agree with the previous speaker that an ounce of prevention is worth a pound of cure. The particular problem I have in mind arises because of the increasing number of school buses which use railway crossings on district and country roads where the volume of traffic is not sufficient to warrant the installation of block systems which cost from $7,000 up.

I think it can be agreed that the 80 per cent contribution made by the federal government from this fund is generous enough, and that some responsibility should attach to the railways and to the local authorities themselves. However, the minister did not mention the maintenance of these block signalling devices. I know that in some cases such costs may run from $200 to $300 a year. Where they are installed on a district road the local authority has to pay the full amount, and the result is that they are not installed on a large number of these country roads where school buses have to cross the lines twice a day.

The hon. gentleman told us, I believe, that the board of transport commissioners had rejected the idea of a radio transmitter on the trains sending a signal which could be received in school buses. I do not disagree with what has been said in that respect, but maybe there is some other means by which protection could be provided. I think some research should be done, as was suggested by the hon. member for Timiskaming, in an effort to find some low cost device, some acceptable way of getting a signal to these school buses so they may be alerted to the fact that there is a train approaching the crossing. I do not say I know now of any device which could be of use. It is possible that research could bring one to light.

Certainly the problem which arises because of the use of these country roads by school buses is increasing year by year, and its solution is made difficult by the fact that on some of these roads there is very little other traffic. Perhaps some system such as has been suggested, or indeed a different system entirely, could be introduced. A number of serious accidents have occurred on these little used roads, and I urge the minister to take this matter under advisement to see whether something cannot be done about it.

**Mr. Crouse:** Mr. Chairman, I wish to speak only briefly on the resolution, to commend the government for signifying its intent to amend the Railway Act to permit grants to be made from the grade crossing fund for a further period of three years from January 31, 1964. With the increase in highway traffic I would say that this type of legislation is almost a necessity. Undoubtedly it has resulted in the saving of many lives in the past and will undoubtedly save many lives in the future.

In my own constituency many beneficial changes have already been made throughout the county, but I should like to put this question to the minister. It has to do with the problem that arises when a level grade crossing within the limits of a town should be changed. I am thinking now of the town of Bridgewater, wherein lies a crossing that should be altered. To the best of my knowledge there has been some uncertainty about the authority that is responsible for implementing a change at this particular crossing. The railroad passes over the highway fairly close to the town limit sign. I should like the minister to clarify the legislation so that it will more clearly indicate the responsible people who must make the original representations to the government in order to have the crossing in question altered.

At the present time large numbers of school children travel daily along the highway between Bridgewater and the New Germany high school. There have already been a number of accidents, and although none have been serious I believe some changes should be made at this crossing. I have been informed they have not been made because there has been some misunderstanding with regard to the proper authority to whom representations should be made. I should like the minister to clarify that situation.

**Mr. Herridge:** Mr. Chairman, I rise to express my wholehearted support of the principle of the legislation. I want to make a few comments in line with those made by previous

speakers. As you know, Mr. Chairman, I usually look at things from a nation-wide point of view, but if you will excuse me this afternoon I will become somewhat parochial for a change. The Secretary of State is laughing; I am not sure whether he takes me seriously.

This legislation is good legislation, and it has been of great advantage to many parts of the country. However, with the increasing population and the consequent increase in traffic, and the increasing development of roads where there is no great density of population, the pace is too slow. That is the only criticism I have to make of this legislation.

I happen to represent a mountainous region, and many of our people are very interested in the grade crossing situation. First of all we have the problem that is presented in areas where there is density of population, and owing to the nature of the country we also have dozens of very dangerous railway crossings elsewhere. There are many places where there is a blind cut approach with a steep grade up to 10 per cent and an acute curve all at the one crossing. Possibly at such points there will be only light car traffic during the day and two or three school buses taking children to school and bringing them home.

We have had some serious accidents and a lot of near accidents. Under certain weather conditions, such as a blinding snowstorm, it is impossible to see or hear a train coming, and the engineer is in the same position with regard to seeing a car or bus. Apparently this problem is somewhat general. I have listened to the remarks of a number of members who have indicated that the problem of railway crossings in the less densely populated areas is serious. I want to join them in urging further consideration of this particular aspect of the railway crossing problem.

I suggest that in co-operation with the provinces a complete survey should be made of all railroad crossings that present any particular danger at all, whether they are in densely populated areas or in rural areas where traffic is light. Then an order of priorities should be established for dealing with these crossings in a particular manner. The more expensive could be dealt with first, and so on.

Previous speakers have suggested that some research should be undertaken looking for a cheap form of warning device or something of that sort for such railroad crossings, and I support them in this suggestion. We know it is impossible to ask for underpasses or overpasses in many circumstances, but surely devices could be obtained as a result of research that would greatly reduce the hazard.

[Mr. Herridge.]

Third, until these crossings in rural areas are properly protected I suggest it might be possible to consider changes in railroad rules. I am thinking of one mountain valley in my constituency. Freight trains heavily loaded with lumber and travelling at a fairly good speed pass one blind crossing after another some 10 miles apart. Where a train is hauling a load of lumber 30 miles to the famous Kettle valley railroad I think under such circumstances time is not a factor, and a few minutes means very little. Possibly some consideration should be given to changes in the railroad rules to bring about a reduction in train speed until something is done to protect these crossings.

Finally, Mr. Chairman, in order to meet the present need even with low cost devices, both in densely populated areas and in rural areas, more funds are going to be required than will be available under the bill to come before us after the resolution is passed.

[*Translation*]

**Mr. Latulippe:** Mr. Chairman, I would be angry with myself for not calling the attention of the Minister of Transport (Mr. McIlraith) to the many disadvantages of grade crossings in the riding I have the honour of representing. Several of these grade crossings have no signals.

As a matter of fact, in an accident last summer at a grade crossing in a municipality near Megantic, namely Nantes, five members of the same family were killed and two others injured.

As far as the town of Megantic is concerned, there are six grade crossings in a distance of three miles. C.N.R. tracks cross the national highway at six different places. Three of these grade crossings have signal systems.

At two other level crossings right in the heart of the town, no signal can be seen.

In the centre of the town of Megantic, there are ten, 12 and even 15 accidents each year in which vehicles are practically demolished; fortunately there is no great loss of life—a few only over several years—because the train slows down when coming to that spot, but many vehicles suffered considerable damage, of which the owners must bear the cost, because the railway is never wrong.

A few years ago the board of transport commissioners were asked, on several occasions, to eliminate all those level crossings. The records must be quite bulky, because the minister told me the other day that it was practically impossible to supply them and gave me permission to examine them at the board of transport commissioners' office.

The railroads are a serious problem in Megantic, but it would be so easy to do away with those level crossings without building overpasses. Some estimates have been prepared to this effect, and it would cost about $1 million to move the tracks. This would eliminate practically all level crossings with the exception of the two main ones going in and from the town of Megantic.

That is why with regard to this matter I would draw the minister's attention to my riding which is one of the worst localities in the province of Quebec, and perhaps even of Canada, because the railway crosses the highway six times before leaving Megantic.

The authorities of Megantic asked me some time ago to make representations with regard to the matter, and I am sure that the minister also received some requests for improvement of the level crossing situation.

**Mr. Côté (Chicoutimi):** Mr. Chairman, this resolution enables me to say a few words on level crossings which are an extremely serious problem in the city of Chicoutimi.

I wrote to the Minister of Transport (Mr. McIlraith) at the request of the authorities of Chicoutimi. I take this opportunity of pointing out this correspondence to remind the minister about the problem so that he may take the matter into account when drafting the legislation which eventually will be introduced.

In Chicoutimi there are 15 or 17 level crossings throughout the city and they are quite dangerous for drivers. In this era of heavy traffic it is ridiculous to have so many level crossings in a city of approximately 40,000 inhabitants.

It might be possible to bring considerable improvement to that situation. Indeed, a few years ago, Mr. Fairweather, one of the vice presidents of the C.N.R., made quite a thorough investigation of the matter and came to the conclusion that those level crossings had to be eliminated at any cost. Along with engineers he had prepared plans to that effect, and today the C.N.R. and the Minister of Transport must have in their possession those very important plans which would provide a solution to that problem.

That is why I ask the minister to keep that in mind because that project was brought forward more than ten or 15 years ago and the people of Chicoutimi have been waiting for it so long that it should be carried out now so that many accidents would be avoided. I nearly had an accident myself while I was with my family. That is why I call the attention of the minister to that problem.

[*Text*]

Resolution reported and concurred in.

**Mr. McIlraith** thereupon moved for leave to introduce Bill No. C-110, to amend the Railway Act.

Motion agreed to and bill read the first time.

**Mr. Deputy Speaker:** When shall the said bill be read a second time?

**Mr. Pickersgill:** I wonder if it would be the wish of the house to go on and consider second reading now?

**Mr. Churchill:** Yes, if the bill is ready for distribution.

**Mr. Deputy Speaker:** I understand the bill is ready for distribution.

**Mr. Pickersgill:** Perhaps if the bill is not ready immediately we could take second reading after considering the next resolution, and that would give the officials time to get the bill distributed.

**Mr. Deputy Speaker:** Later this day?

**Some hon. Members:** Agreed.

## ST. LAWRENCE SEAWAY AUTHORITY ACT

### AMENDMENT TO INCREASE BORROWING AUTHORITY

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

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not exceed at any time $535,000,000 in lieu of $345,000,000 which it is already authorized to borrow by section 13 of the act.

He said: The purpose of this resolution, Mr. Chairman, is to provide additional borrowing authority to obtain the funds required to enable the St. Lawrence seaway authority to undertake the twinning of the locks of the Welland canal, as announced to the House of Commons on August 2 of this year. The amount necessary for this work is estimated to be $180 million. There is an additional $10 million, the greater part of which will be required to provide funds for the settlement of a long standing disputed claim having to do with the cost of the diversion at the Victoria bridge. This question was only decided in 1963, that is, as to how the cost of this undertaking should be borne, and according to the decision the seaway authority has to pay approximately an additional $11,700,000 for this capital work. They do not have the capital funds available, and part of this $190 million will be used for that purpose.

**Mr. Howe (Wellington-Huron):** Mr. Chairman, I am sure we are all interested in this measure to provide additional borrowing authority to the St. Lawrence seaway in the amount of $190 million. The minister has explained that this is necessary in order to defray the cost of the twinning of the Welland canal locks and to provide capital funds for the diversion at the Victoria bridge.

This is quite a sizeable sum of money. I think the committee is entitled to know when the pre-engineering work was done on this twinning project, how long it will take for the project to be completed, how much additional revenue is expected to be received, and whether this will be a toll free lock.

The St. Lawrence seaway was a tremendous development project, completed just a few years ago. It has done a great deal to stimulate trade and commerce throughout central Canada, and I notice its revenue increase in 1962 was 8.1 per cent over 1961. We will expect a further increase this coming year due to the huge grain sales, and I wonder if the minister can give us some idea at this stage what the increase in traffic will be for the present navigation period and when the seaway, without the twinning, is expected to pay its way, so that it would not have to be returning periodically to the treasury for assistance.

**Mr. McIlraith:** I can give some information, and the best way to get an accurate picture is to give the latest figures I have on total cargo tons for both the seaway and the Welland canal. Taking the period April to October, the figures for the Welland canal in 1962 were 30,421,305 tons, and in 1963 they were 34,192,548 tons. The figures for the Montreal-lake Ontario section for the same period were 21,853,929 tons for 1962 and 25,732,923 tons for 1963. From those figures it will be seen that the rate of increase on the St. Lawrence section is 17.7 per cent over last year, and on the Welland canal section 12.4 per cent. Of course the rate of increase is being held up through November and it will be appreciated that the figures may vary slightly at the end of the year, but I think the picture they give is an accurate one.

Regarding tolls, in accordance with the agreement made with the United States a review of the tolls is necessary and the preparatory work is going on now. The review is required to be completed by the middle of next summer, and I do not think there is anything useful I can add at present on the question of tolls.

With regard to the $180 million which is to be spent on the Welland canal, I think I indicated in my statement to the house on August 2 that a situation would arise in which there would be restriction of shipping if this work were not undertaken immediately, because otherwise the Welland canal would not be able to handle all the traffic.

The work is being undertaken in such a way that practically all of it will be done during the off-navigation season, and the engineering plans for the sequence of doing the work are made in such a way that benefits will start to flow from the work in the early years. It is a five year program and will not be completed until the navigation season of 1969, but the work will be of benefit before the end of the five year construction period.

Perhaps I could give the programming of the costs through the years. The amount to be spent this year will be smaller than in the succeeding years. Some $10 million will be spent this year, and more than that in the succeeding years.

**Mr. Herridge:** Mr. Chairman, members of this group naturally support this expenditure as part of the development of the country, but individual members of parliament are required to justify their actions when they appear before their constituents. I think the minister should take this opportunity to give us an outline of the need for the twinning of the locks, the type of development that is intended, what additional benefits it will give to the seaway, the plan to be followed with respect to construction, and a breakdown of the expenditures for the various aspects of the work.

This is a lot of money, $190 million, which we are giving the seaway authority to borrow in addition to its present authority, and when we come to the second reading of the bill I hope the minister will give us the story in sequence, the history of the need, the planning with respect to the development, a breakdown of the cost, the time schedule for construction, and the improvement it will bring to the handling of traffic on the seaway.

If I were to go home at this time, Mr. Chairman, and were asked by my constituents to explain this matter in detail, I would have a pretty foggy idea. I know in general that it is necessary, and so on, but I think when we are considering items of this amount we should get a very clearcut and thorough explanation of the circumstances which cause the government to bring this legislation before the house. When we get to the second reading of the bill the minister will no doubt have had an opportunity to get the facts together and possibly get some assistance from his officials. I hope at that time we will get a story on the record which will be informative to hon. members of this house and of use to them in informing their

constituents as to why we gave the seaway authority this power to borrow an additional $190 million.

**Mr. Olson:** Mr. Chairman, the members of this group also wish to support granting additional borrowing power to the seaway authority in order to expand the potential economic activity of the country. It would appear that the required $190 million to provide the capital cost of twinning the Welland locks is to take care of the area along the seaway that is most congested at the present time. The question that immediately arises is, how long will it be before parliament is asked for additional funds to twin some of the other locks? The figures the minister has just given indicate that the tonnage going through the seaway is increasing even more rapidly than the tonnage going through the Welland canal. Therefore if the congestion at the Welland canal has now reached the point where additional installations are required to take care of the situation, when this work is completed an even greater tonnage will be carried by the other seaway locks. I would therefore be interested to know whether the department has made any studies as to how long it will be before parliament will be asked for authority to borrow additional money for some of the other locks along the seaway. Furthermore, have there been any negotiations with the state of New York and the United States government to twin some of the locks along the St. Lawrence seaway?

I have one other question, Mr. Chairman, with regard to the $10 million required for the settlement of some claims respecting the Victoria bridge. I am not satisfied that at this point we have had a sufficient explanation as to why this extra amount of money is being requested by the seaway, when apparently they had not previously assumed this responsibility.

**Mr. McMillan:** Mr. Chairman, I am very much in favour of this resolution which will provide for the twinning of the single locks on the Welland canal. This twinning will provide for a greater dispatch of shipping on the great lakes, and as such will help the economy of Canada. The Welland canal overcomes the difference in level between lakes Erie and Ontario. The difference in the water level of these two lakes is 326½ feet, and this is overcome by seven locks which each have a lift of about 46½ feet. The canal is 27½ miles long, and the locks are numbered from the lake Ontario end.

In the first 6½ miles there are three locks. These compensate for the rise in the ground level from lake Ontario to the base of the Niagara escarpment. Unlike previous canals, which took somewhat circuitous routes up the Niagara escarpment, the present Welland ship canal climbs the Niagara escarpment directly, at right angles. In the next mile from the foot of the escarpment the climb is 186 feet through locks 4, 5, 6 and 7. Above lock 7 which is about lake Erie level there is a straight sailing stretch for 20 miles to lock 8 at Port Colborne. When the canal was built it was necessary to twin locks 4, 5 and 6 because of the steepness of the incline at this site. Because of this very rapid rise these locks had to be built end to end. There is no level sailing stretch between them, as there is between other locks.

If these locks had not been twinned at that time boats going down the canal would be required to wait until a boat coming up the canal had been locked through these three locks, and vice versa. That is the reason they were twinned at that time. There is very little rise at lock 8 at Port Colborne. Lock 8 has two purposes; it controls the water level in the canal, and it also compensates for the variation in the water levels in lake Erie. We know that lake Erie, like all other lakes, has a cyclical high level in some years; every four or five years it comes around to a high level. We know also that a strong west wind blowing down lake Erie will cause the water level to rise by four to six feet at the entrance to the canal. Therefore it is necessary to have a lock at the lake Erie end of the canal in order to lift boats from a controlled level into lake Erie. I think it is very necessary to twin these single locks because there is a bottleneck at most of them at the present time. Number 7 lock has the worse bottleneck, but at the present time they all suffer from this congestion.

The estimated cost of twinning these locks is $180 million. This figure was given by the minister a few minutes ago. The Welland canal was first conceived by local residents in 1818. They started to build it in November, I think, of 1823 and it was finished in 1829 at a cost of something under £500,000. In 1842 the government of Upper Canada took over the Welland canal from the shareholders and at that time they decreased the number of locks from 40 to 27. This was afterwards called the second Welland canal. A third Welland canal was completed in 1887 at a cost of $13 million. The present canal was completed in 1931 and cost about $130 million. The committee can therefore see that the twinning of these five locks, 1, 2, 3, 7 and 8, will cost more than all previous Welland canals, including the present canal which has 11 locks of similar size, and over 27 miles of sailing levels.

It is very interesting to read the description of the sod turning ceremony for the first Welland canal. William Hamilton Merritt, a

local resident, was the chief promoter and he made a speech at the sod turning ceremony in November 1823. It might be interesting to the committee to hear part of what he said at that time. Just previous to this time the Erie canal had been completed in New York state, and Mr. Merritt was referring to the Erie canal when he said:

> If they can make a canal 300 miles long without taxation we can do the same for one tenth the distance by following similar means. When we contemplate the natural advantages we possess over the Americans in our water communications, it is astonishing to think of the apathy and indifference that have hitherto prevailed among us on this subject. If we inquire the cause nine tenths of us would blame the government. There never was a more erroneous idea. We are ever inclined to move the burden from our own shoulders and can only blame ourselves. Nor ought we to suppose that our governors are as immediately interested in any part or portion of the country as the inhabitants who are living on the spot.

Then I think the politicians in this committee will be interested in the next passage.

> If you were asked from what branch of the legislature should these measures emanate, you would readily answer, the branch composed of the commons—they are sent from among us—their interest is ours and if we do not find exertion among them where do we look for it?

His idea of the legislature of that day was not very high even at that time, because he concludes with these words:

> Show me a measure that has passed that body for the improvement of the country—it is a rare occurrence that measures of great national improvement originate from the administration of government.

So that is what he thought of legislatures at that particular time. He went on to say that when our legislators got to parliament they became indifferent. I am sorry to say that from reading the press and some of the letters in the Toronto daily *Star*, the Toronto *Telegram* and other papers, it seems we as members of parliament here are considered indifferent when in fact we are not. I pay tribute to the memory of Hon. William Hamilton Merritt who did so much to develop shipping in Canada.

There is a little history attached to tolls. Tolls were applied to the Welland canal right after it was constructed. I read an article to the effect that in 1895 tolls were being charged of 2¼ cents per ton. In that particular year $139,000 was collected and 870,000 tons passed through the canal. The minister mentioned today that the amount this year was 34 million tons.

Early in 1900, I think in 1903 or 1904, tolls were removed from the canal. At that time boats had to provide their own men, who accompanied the boats through the locks and looked after the tying up. They tied up the boats both at the locks and at the lock approaches.



This state of affairs continued until 1931, when on the completion of the present Welland canal the government of the day supplied linesmen to tie up the boats, charging a fee to the boats to pay these employees. When the St. Lawrence seaway took over we all know tolls were imposed to pay for the operation of the canal, plus the amortization of $29 million, the cost of deepening the canal, which amount was to be retired over a period of 50 years. This continued until 1962, after the former government had taken over, but in June 1962 the tolls were removed.

I have often mentioned the question of tolls in this house. I have talked against their imposition, not so much because it would cost a great deal to industry and shipping passing through the Welland canal to retire the $29 million plus the cost of operating the canal, but because this always created uncertainty in that area on the part of canal-based industries, as well as for industry in Hamilton and Toronto. There, industries were not worried so much about the $29 million; they are more concerned about the $180 million required now, which would make their position on the canal almost unbearable or intolerable. They would not be able to continue to operate in that location if they had to pay canal tolls commensurate with the cost of operating the canal, plus the amortization of some $200 million over the next 50 years. This applies to industry in Hamilton and Toronto as well.

Let me take the steel industry in Hamilton as an example. The steel industry in Hamilton, like the steel plants in Cleveland, Toledo, Detroit and Lackawanna, gets its raw material for a lot of its steel from the shores of lake Superior, its coal and coke from the shores of lake Erie. In fact the coal mines of Pennsylvania are not far from lake Erie. All the material for United States mills comes in through toll-free areas, whereas every ton of raw material coming into the steel plants of Hamilton must pass through a toll area. This makes the steel mills at Hamilton less competitive with the steel mills along the United States shore of lake Erie. I have always maintained that this does make the steel and other industries in Hamilton and Toronto, which is supplied through the Welland canal, less competitive than some of the industries in the United States, and I therefore hope that when the question of tolls comes up the minister might be able to give the plants in our part of the country some favourable consideration. I might say that uncertainty will upset the stock market. It is just as upsetting to business, too. Certainly the canal area and certain other areas are not desirable

locations for new industry, particularly for heavy industry making use of water-borne traffic.

**Mr. Macaluso:** Mr. Chairman, I am also in favour of the resolution before the committee. I did want to say a few words this afternoon on this matter, but it has been so adequately covered by the hon. member for Welland, as far as Hamilton is concerned, that I need say only a very few words. The hon. member for Kootenay West mentioned in his remarks the need for twinning these canals. I agree with his remarks. However, it is both coincidental and interesting that at the present time I am conducting a study into the history of the promotion, construction and financing of the original Welland canal by Mr. Merritt, the founder of the project. If the hon. member needs a reason for the need of the canal, I suggest he obtain the books I have from the parliamentary library, from which he will see that the same reasons that the construction was proceeded with are also sufficient reason for twinning the canals today.

With regard to the question of tolls and the Hamilton steel industry, we have in Hamilton a very large industrial complex based mainly on supplying the blast furnaces in this steel centre. There has naturally grown up around it a number of secondary manufacturing industries. These industries are not wholly dependant upon the steel industry, but they are to the extent of at least 75 per cent, and perhaps even more. Canada has a tradition of toll-free inland water transportation.

I suggest to the minister that he study very carefully the briefs which the seaway authority is now accepting on the subject of tolls on the St. Lawrence seaway, including the Welland canal section. I submit the hon. gentleman should do this when the report comes from the seaway authority. I have received copies of the briefs submitted by the industries concerned and I believe they are sound. Naturally, they propose that no tolls, whether they are called by that name or by any other name, be imposed on the Welland canal section. As the hon. member for Welland has stated, any reimposition of tolls, by whatever name, would add greatly to the cost not only of steel but of many other articles in this country. It is my opinion that the Welland canal is a system which operates in the national interest, not only in the interests of the industries along the great lakes or in its immediate area. I say this because any increase in the costs of steel production, or production generally in that area as a result of the imposition of tolls would have adverse effects right across the country. I commend the government on its proposal to twin the canal. One result would be the provision of a great deal of employment in this area.

I should like to conclude my remarks by saying that any decisions about the imposition of tolls, either with regard to the Welland canal or to the St. Lawrence seaway as a whole, should be considered in the light of their effects on the economy of the country generally because the burden of any such tolls on the secondary manufacturing industries in Hamilton, and the Niagara peninsula in particular, will be considerable and will be felt from one end of the country to the other.

**Mr. Regan:** It is my intention to reserve the main part of my comments on this subject until the second reading of the bill which will follow the resolution, but I cannot help commenting briefly on the question of tolls on this new section of the Welland canal.

With great deference to the views of the hon. members for Welland and Hamilton West I must disagree in part with the proposition they have put forward. I would have no objection to the idea that there be no tolls on cargoes destined from one point to another within the lakes and river system, but to say there should be no tolls on cargoes which pass through this canal and which are destined to overseas points, or which have originated from overseas points, is to say that even though we have a railways system which could carry these goods to and from the ocean ports—a railways system which, by the way, is now functioning at a loss—we should use $180 million raised from taxpayers, many of whom live in areas adjacent to the ocean ports, in order to provide another means of carrying goods at a time when we are not fully utilizing the means which already exist.

I would therefore urge the minister to consider seriously the economic consequences to all parts of the nation of making a decision on the lines suggested to him. I urge that the principle of tolls be applicable at least to goods which originate outside the lakes and river area, or which are destined to points outside that area.

[*Translation*]

**Mr. Côté (Chicoutimi):** Mr. Chairman, the measure to amend the St. Lawrence Seaway Authority Act, which is under consideration, is certainly very important when the amounts involved are considered. For instance, it aims at increasing the borrowing power from $345 to $535 million, that is an increase of $190 million.

A few moments ago I listened with great attention to the hon. member for Welland (Mr. McMillan) explaining the needs in that field.

I agree that the needs are immense, and our party feels that when it comes to increasing the country's economic growth, capital expenditures which enable Canadians to live must be made. Indeed it is better to spend our money in that way rather than for social or unemployment assistance.

And now I would like to add a few words about the liabilities shown in the St. Lawrence seaway authority's report. I find the situation truly alarming. For instance, under section 25 of the act that was passed, the seaway authority borrowed $334,500,000; on December 31, 1959, it was unable to meet the interest amounting to more than $19 million, and payment was postponed; on December 31, 1961, payment of the interest was again postponed, as well as on December 31, 1962, so that those liabilities total $383,880,008.

It is quite disturbing to be faced with such an accumulation of debts.

I am wondering also what the rate of interest is going to be on that loan. Following a brief analysis, I find that on the current loan the average rate is 5.70 per cent, at least as far as the year 1959 is concerned. That is quite a high rate of interest, but this does not seem to bother the government.

Does not the government think that this will result in some serious inflation, since it is believed that an accumulation of debts and interests generally causes wretched inflation? That is where the danger lies with our present financial system.

I am convinced that the government is in the process of creating some sort of monster. It is impossible to keep on going with such a system under which interests pile up at a staggering rate and debts keep on increasing. It seems to me that other solutions can be found. That is why I am going to the trouble of speaking about it.

Finally, I was just reading an analysis by one of Canada's greatest economists, who said more or less this: Governments, once in office, always take steps to which often they were opposed when in opposition.

That is why I am hopeful that the present government will give special attention to the 11 members of the Social Credit party in this house who advocate theories that have been studied for more than 40 years by distinguished economists, and that in order to improve the financial system.

There are eleven of us representing this party in the house. On several occasions we offered some solution and more particularly we suggested creating social capital or public credit bank. Such an institution might, in a case like this, help carry out projects needed for the economic development of this country, while not significantly increasing the debt or the interest load. That is the main point. We must stop creating such inflation.

I more particularly remember that, during the last election, our friends who are now in power had a holy terror of inflation as well as of our party, because inflation in itself is an abominable thing.

We are among the first to fight inflation by all available means. That is why we warn the government to be very careful in this respect and we would suggest to its members to delve into the economic methods which might be gradually applied at this time.

I would not say that we could change our economic system overnight. Yet, I maintain that it is possible to modify our financial system and gradually to establish a new one which would be in keeping with the age of automation and mechanization in which we live.

**Mr. Belanger:** Mr. Chairman, I would like to join the hon. members who have spoken before me on the matter under study and set forth our group's viewpoint.

I understand that the resolution tends to improve shipping on the St. Lawrence seaway, more particularly by doubling over the years the traffic capacity of the Welland canal.

We have no more objection to that than the previous speakers. We are in favour of all improvements likely to promote the economic activity in our country. All this will be beneficial to everyone, not only where the improvement is being brought about but throughout Canada. Therefore, we have no objection in principle to the proposed improvements.

However, I should like to join the hon. member for Kootenay West (Mr. Herridge) who suggested that we did not have quite enough information about the actual need for such improvements. I also add that we did not obtain many details or explanations about the procedure to be followed in order to find the additional $190 million requested in this legislation.

I imagine that the usual procedure will be followed: money will be borrowed in order to provide the necessary funds for the payment of those improvements. This is what was done in the past; money was borrowed at interest rates that were so high that, up to now, it was impossible to repay the interest. They merely accumulated and were consolidated with the already existing debt.

In this connection also, I wish to raise a minor objection, concurring in this respect with the hon. member for Chicoutimi (Mr. Côté).

I will perhaps let him speak but not too long because he just said that his group of 11 members in the house represents the Social Crediters; I must point out to him that we are also 13 in our group which added to his group of 11 make a group of 24 members in the house which claim to belong to Social Credit.

I then sincerely support the proposal made by the hon. member for Chicoutimi. We should endeavour at least to find some other means to finance public works and other needs in Canada.

The present loan and taxation system has nothing in common with natural law. It originated from measures created and invented by men. Those measures might have made sense and been right for a certain number of years; today, however, as we all realize, I am of the opinion that we will never be able to get out of it with the system we now have, a loan and taxation system which is getting obsolescent and leads nowhere.

The government should make a careful study of this matter. We are as sincere as any other member of the house. We want the well-being of Canada as all other citizens of this country.

We are asking for a change in the economic system and especially in the financing of government projects. I feel that our group should be given more consideration and that more interest should be shown in the methods advocated by us.

A while ago there was some mention of a special bank for the financing of all social projects. We have already proposed that the Bank of Canada be entrusted with such a role.

Why should the Bank of Canada not be asked to create the required money instead of paying the chartered banks interest as at present to carry out that function? Let no one say that that would be conducive to inflation. Once again I wonder how the creation of $190 million by the chartered banks could be less inflationary than if that were done by the Bank of Canada.

The only difference between the two is that on the $190 million created by the Bank of Canada we would have no interest to pay and it would be much easier to write off the debt.

I conclude with these few remarks, but not without once more urging the government to pay attention and to try to look into the suggestion offered to them.

[*Text*]

**Mr. McNulty:** Mr. Chairman, the need for the twinning of the Welland canal locks has been apparent for some time, and I would hope that this resolution will receive the support of all members of the house. There has been considerable newspaper publicity about the shipping tie-ups in the Welland canal. At one time there were 21 to 23 ships tied up outside the lake Ontario entrance to the Welland canal at Port Weller. It is apparent from the studies that have been made that the twinning of the locks will increase the tonnage up to 60 per cent. This will not just be of benefit locally. Special ships are being constructed at the present time to haul coal from Nova Scotia and the twinning of the locks will mean a great deal of benefit to that part of the country.

It will also mean a great deal for the commerce of the west. It will certainly mean that in the future we can go all out in seeking contracts for the sale of our grain to all countries of the world because we will be able to transport the grain at a reasonable rate and will be sure of making deliveries. The twinning of the locks will be a great benefit to industries stretching from one end of the lakes to the other. Ore is brought from Labrador and transported through the canal. Pulpwood and many other natural resources are transported through the canal for processing at both ends.

A commitment was actually made by the former government to twin the locks of the Welland canal, and for this purpose some 115 properties were expropriated in the area. These properties have been paid for at considerable cost, and I am quite sure it was the intention of the previous government to twin the locks just as soon as the time and the occasion were right. Studies have been made, and I am sure it is to the credit of the present minister that he has taken the initiative and proposed this resolution. The project will surely result in increased employment opportunities for residents of the area over the next four or five years. I am told that some 5,000 or 6,000 jobs will be created as a result of the twinning of these locks. I am sure, Mr. Chairman, that if all members look at the amount of money that is being set aside for this project and study the need for the twinning of these locks and the wonderful results that will flow from this project they will give the measure their wholehearted support.

**Mr. Howe (Wellington-Huron):** I have one or two further questions to ask in connection with the increase in tonnage on the seaway this year of 17.7 per cent. When the minister answers, can he give us a breakdown of that percentage? We all realize that probably the bulk of the tonnage going through the seaway is grain and iron ore. The hon. member for

Lincoln intimated that coal would come up from the maritimes to this seaway.

However, in considering a project costing $180 million we must realize that grain shipments may not be heavy every year. We hope they will be, but I think some breakdown of the tonnage should be given by the minister in order that the committee would have a better idea of the value of the project.

**Mr. McIlraith:** I have the figures broken down as between general cargo and bulk cargo, if that would be satisfactory.

**Mr. Howe (Wellington-Huron):** There is one other question that comes to mind in connection with the St. Lawrence seaway about which some concern is felt in various areas around the great lakes. I refer to the question of water levels. The question of the Chicago drainage canal has been debated in this house many times. I do know that the level of some of the lakes has dropped considerably this year. The hon. member for Welland, in speaking about this question, intimated that there was a seven-year cycle in this connection. I do not know whether we can depend on that seven-year cycle. I am wondering, therefore, if any consideration was given in the pre-engineering studies to the question of making the canal deep enough to take care of the variation in the water levels of the great lakes.

**Mr. McIlraith:** Mr. Chairman, some questions have been raised as to the need for additional capacity in the Welland canal. Perhaps I can best illustrate the need by saying that it was always felt the critical period would be reached when the tonnage figures were somewhere between 40 million and 50 million per year. At the estimated average rate of growth since the inception of the seaway, that is some 8 per cent, that period of time will be somewhere between 1964 and 1966.

Perhaps I could be a little more specific. In 1958 the total volume of traffic on the Welland canal was 21 million tons; in 1959 it was 27.5 million tons; and 1962, over 35 million tons. This year, up to November 14, the tonnage has amounted to 36,972,000 tons. This would indicate that by the end of the season the tonnage would be crowding the 40 million mark. Perhaps I could also give you another illustration. In the 1961 navigation season of 260 days, an average of four vessels were kept waiting on each of 162 days. In 1962 an average of seven vessels were kept waiting on each of 194 days and so far in 1963, an average of seven vessels have been kept waiting on each of 197 days. It will be seen, therefore, that the situation is worsening and if this work is not undertaken now we could be in a very serious situation.

[Mr. Howe (Wellington-Huron).]

In considering this project, we should bear in mind the tremendous importance of shipping facilities to the economy and business of this country and particularly the fact that so much of that business has to do with exports. In the light of these considerations, it will be seen that the matter is both important and urgent. It is quite true that at the moment, because of the volume of wheat sales, many persons are inclined to think only of grain shipments, but these facilities are vital to all parts of the country. It has been demonstrated, of course, by our experience in the last few months, that these facilities are of the utmost importance not only to the grain trade and to the prairie provinces but they are equally vital to other parts of the country.

As the hon. member for Chicoutimi was speaking, I could not help but think of the amount of pulp that is brought through the Welland canal for the pulp and paper industry, and the importance of the Welland canal to that part of the economy of Quebec which supplies so much pulp. The canal is important also to the movement of paper to the export and domestic markets, as well as to the movement of ore from Quebec and Labrador for export to the United States. It is important, too, to the movement of steel from Canadian producing points to the different parts of the country, because of the special importance of lake shipping to the steel industry. It will be seen, therefore, that this is of vital importance to all parts of the country.

While I have picked out the bulk cargoes to illustrate the point I wish to make, I should like to give the hon. member for Wellington-Huron a breakdown of the increased tonnage this year over last year. From April 1 to November 14 the breakdown as between bulk cargo and general cargo is as follows: bulk cargo, from 30,626,427 to 34,791,000 tons; for general cargo in the same period from 1,858,711 tons to 2,181,000 tons. Therefore it will be seen that the increase is in both types of cargo.

As to the question of financing it, there is of course the larger question of the method of financing any or all public works, but for the purpose of this particular legislation we must remember that the St. Lawrence Seaway Authority Act of 1952 provides that the capital funds shall be obtained by that agency of the government from the Minister of Finance. There are negotiations going on from time to time as the need for borrowing arises, but I think the best answer I can give the hon. member who asked the question is that the average rate of interest on loans to date is approximately 4.5 per cent.

Resolution reported and concurred in.

**Mr. McIlraith** thereupon moved for leave to introduce Bill No. C-111, to amend the St. Lawrence Seaway Authority Act.

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

On clause 1—*Power to borrow money.*

**Mr. Herridge:** Mr. Chairman, I appreciate the minister answered one of the questions I asked in respect to giving some illustration of the need. I thought that was pretty useful, but would he inform the committee of the timetable for construction, give a breakdown of the costs, and tell us when it is expected the works will be completed?

**Mr. McIlraith:** Assuming the authority is granted by parliament, it is expected the arrangements for the work will be put in hand immediately. I think the best way of illustrating the time of the actual construction is to give the payments per calendar year, because the payments will be made as the work progresses. The estimated expenditure in 1964 is $10 million; in 1965, $20 million; in 1966, $40 million; in 1967, $40 million; in 1968, $40 million and in 1969, $30 million. It is expected that the major portion of the project will have been completed in the first quarter of 1969.

Clause agreed to.

Title agreed to.

Bill reported and read the third time and passed.

## RAILWAY ACT

AMENDMENT EXTENDING PAYMENTS FROM GRADE CROSSING FUND

**Hon. G. J. McIlraith (Minister of Transport)** moved the second reading of Bill No. C-110, to amend the Railway Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—*Speed limit in unprotected populated areas.*

**Mr. McIlraith:** Mr. Chairman, I would like to point out the nature of the amendments. The first part of the bill deals with the amendment I spoke of consequent on the Alberta court case, where section 312 of the act was interpreted in a way that had not been in accordance with the practice and what the section was thought to mean. The only change is that where the clause in the bill provides that "no train shall enter a highway crossing" the words used in the act were "shall pass" any highway crossing.



As I explained on the resolution stage, the control of the limit of speed has always been interpreted to be control of the speed at which a train enters the crossing, and not at which it passes over a crossing. For long trains moving slowly at ten miles an hour this actually means interference with the use of a crossing by motor vehicle traffic, instead of a measure intended to procure safety for the motor vehicles using the crossing. Therefore the word "pass" is being changed to "enter".

Also a clause has been added giving the board jurisdiction to fix the speed at which a train may enter a crossing, when the board makes these orders for works at any grade crossing.

Formerly it was statutory. The same remarks apply to the two related sections, 312 and 428. For some reason that is not wholly clear to me but is known to law officers concerned with drafting these things and is purely a legal reason, those clauses in the bill are put first, and the last clause in the bill is the one having to do with the extension of the provision of funds; that is, the limitation on the amount that can be spent under section 265 of the Railway Act. That section, although it bears a lower number, is put at the last part of the bill because it is an amendment to an amendment; the only change there is to provide for the addition of three extra years, changing the figure "6" to "9"; that is to say, nine years from January 31, 1958.

**Mr. Herridge:** Mr. Chairman, I have two questions to ask the minister, and I thank him for his explanation. Does this mean there will be a survey of railway crossings, and possibly new regulations as to speed imposed upon certain crossings where that is the most effective way of meeting the situation at the present time? My second question is: is there continuing research into the possibility of providing a cheap form of warning for those many crossings that would not warrant the expense involved in a survey?

**Mr. McIlraith:** Mr. Chairman, there is continuous work going on in this field; the engineers are constantly at work on it. I should add, by the way, something that was not adequately clarified by me previously. While the applications originate, in the normal course, from the provinces for the start of each year, and from the municipalities, if the board hear of any case where there is a dangerous situation, they immediately investigate it. That answers the question raised by the hon. member for Queens-Lunenburg. Any town or municipality can initiate such a project, but regardless of that, if the board

hear of any case which constitutes a dangerous situation, they will of their own volition investigate it.

**Mr. Rock:** Mr. Chairman, I am happy to hear from the minister that the government intends to extend the time of the operation of the grade crossing fund for another three years. The citizens in my constituency in the county of Jacques Cartier-Lasalle will be very happy to hear this, because they are concerned about future projects within our county. At the present time all level crossings in the county of Jacques Cartier-Lasalle have signals, but the traffic count in these areas today warrants the building of underpasses or overpasses throughout the riding.

I would point out to the committee that the county I represent embraces one third of the western part of the island of Montreal. In the Roxboro-Pierrefonds area three level crossings should be changed to grade separations. We have, along the lakeshore area, the St. Charles road crossing and the Sources road crossing, which should also be changed to grade separations in the form of either an underpass or an overpass.

At the time these lakeshore level crossings were installed with signal protection an agreement was made between the municipalities and the railway companies to close certain other crossings, such as the Valois, Pine Beach, and Pointe Claire crossings. I am afraid that the legal rights attached to these crossings have more or less disappeared; the right to receive, let us say, a grant from this fund in the future has disappeared. I think these things should be taken into consideration in the future.

I can also give another example in the city of Lachine. The C.N.R. intended to build a large humpyard, which now exists. At the time, the main line going to the humpyard was two lines through the centre of the city. They also intended to build another track or so beside that one and enlarge the right of way to this humpyard. Within this right of way there were seven railway level crossings. They also intended going through from south to north to reach the new humpyard, which would have created another four level crossings. I was a city councillor for Lachine at that time. The city council made representation to the C.N.R. to relocate this whole centre track north of the city. We had something of a fight on our hands with the chief engineer of the C.N.R. and we had to make representation to the minister of transport here in Ottawa, who at that time was the Hon. George Marler. We also had to make representation to one of the vice presidents of the railway. These people apparently saw eye to eye with the city of Lachine, and the tracks were relocated north of the city.



At that time we saved the railway companies and the government millions of dollars from the grade crossing fund just on the seven grade crossings which existed, and we also saved them the expenditure of millions of dollars for the four additional proposed grade crossings. This relocation took place. The railways were to build an underpass at 55th avenue. We objected to this location; we wanted a more central location, around 34th avenue. This was refused because the C.P.R. owned industrial land right near 55th avenue. The member who at that time represented the county made representations to the board that were not in the interests of the city of Lachine and for these reasons we lost our case. They therefore built this underpass at 55th avenue, rather than at a central location at 34th avenue. We have now reached the point where the city of Lachine needs a second underpass, or overpass, around 32nd avenue, which is about the same location.

We have no way, first of all, of getting a grade crossing because it is impossible to build one there. Therefore, if we want any benefit from this fund, it is impossible for us to obtain such benefit because no grade crossing exists. It is this type of situation which I think should be taken into consideration. I believe that the limit of $500,000 should not be applicable to special cases such as this, or cases where municipalities have given up level crossings in order to put, say, signal lights on other crossings. I believe that the minister should give consideration in the future to special cases such as exist within the riding of Jacques Cartier-Lasalle.

**Mr. Knowles:** Mr. Chairman, this is a point so small that I hesitate to raise it, but perhaps it is one that lawyers like the minister might consider. I notice that in clause 1, and again in clause 2, a word used in the marginal note is not the same as the word used in the text. I am sure the words mean the same thing. I have been looking the words up in the dictionary, but it strikes me that this is just the kind of thing over which lawyers spend all kinds of time in court. I wonder whether we should not look into this question. The words in the text in both places are "thickly peopled portion of any city", but in the marginal note the words are "thickly populated". It sounds the same, but why have "thickly peopled" in the text and "thickly populated" in the margin? Should they both not be the same?

**Mr. McIlraith:** Mr. Chairman, of course they should. As a lawyer who sometimes had occasion to differ from colleagues in my own office this is the very sort of thing I would have asked about. I regret not noticing it before, but I will certainly ask about it. I am not sure where the difference is made. The

marginal note, of course, does not have any legislative bearing on the interpretation of the statute; it is the section itself which governs.

**Mr. Knowles:** I do not wish to extend this discussion but it is precisely because Beauchesne's fourth edition, citation 359, says that there is some importance to marginal notes that I raise the point. I am sure the minister will look at it, and third reading could be held over to make sure it is not a mistake or that we are not opening up something for the lawyers.

**Mr. Howe (Wellington-Huron):** There is just one question I would like to raise in connection with subsection 4, which indicates that:

> No train shall enter any highway crossing at rail level at a speed greater than twenty-five miles an hour if at such crossing a person or vehicle using the crossing or an animal being ridden or driven over the same has been struck by a moving train—

In other words, if an accident had previously occurred. How are those crossings designated so that engineers on the trains will be able to know at which crossings they have to slow down to 25 miles an hour?

**Mr. McIlraith:** I am sorry I do not know how the railways so designate these crossings for the information of their engineers, but I do know that the board of transport commissioners have the required information which is carefully kept, and it is acted upon as required by statute.

**Mr. Howe (Wellington-Huron):** One other question. I wonder if there has been any discussion with provincial governments in connection with this particular part of the act so that similar designation might be made of highways for the protection of the motorist when approaching a crossing at which an accident had previously occurred. I wonder whether that has been discussed with the provincial departments of highways.

**Mr. McIlraith:** I think not, but I would hope that the designation would not be applied to cases like that, because it would encourage motorists to try and beat the train. That is one of the problems at such level crossings, where a motorist on seeing a train approaching wants to beat it across. If we were to indicate that a train was required to move at a slow speed at such a crossing, we would only be encouraging accidents, the whole purpose of the legislation being to prevent accidents.

Clause agreed to.

Clause 2 agreed to.

On clause 3.

**Mr. McBain:** Can the minister give us any percentage figures of the advantage the railroads in Canada are taking of the installations of reflector type markings on box cars?

**Mr. McIlraith:** The number of railway cars which have so far been marked in this way is about 20,000. There is an annual rate of 6,000 additional box cars which are so marked. Of course, there is the requirements that all new box cars be so marked as they are put into use, as well as certain old cars when they are being repainted.

Clause agreed to.

Title agreed to.

Bill reported.

**Mr. Deputy Speaker:** When shall the said bill be read the third time? Next sitting of the house?

**Some hon. Members:** Agreed.

## CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

### AMENDMENTS RESPECTING CO-ORDINATION WITH OTHER NATIONS, ETC.

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

> That it is expedient to introduce a measure to amend the Canadian Overseas Telecommunication Corporation Act to extend the co-ordination of Canada's external telecommunication services to include co-ordination with nations outside the British commonwealth; to increase the number of directors of the corporation by two; to provide for the appointment and salaries of vice presidents; and to provide further for certain consequential changes in connection with the administration of the act.

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

**Mr. McIlraith:** Mr. Chairman, the resolution stage of this bill is not required because of any significant charge being put on the treasury but really because of technical reasons in that certain sections could conceivably have a bearing on the financial aspects of the bill. It is really a bill containing a number of small amendments arising out of administrative experience, and because of the growth in the corporation.

Perhaps I could summarize them at this stage, although they would better be dealt with when the bill is before us. The purpose of the resolution, of course, is to ask approval for leave to introduce a bill to amend the Canadian Overseas Telecommunication Corporation Act so as to provide changes in the executive structure of the corporation to reflect the expansion in its size and activities

and the national importance of its work; and to insert two minor amendments, one dealing with the stated purposes of the corporation and the other with superannuation of its employees.

The bill contains provision for increasing the number of directors including the president from five to seven so as to allow for broader national representation and to make it easier to raise a quorum for meetings. It also provides that, instead of having one vice president appointed by the governor in council, there can be such vice presidents as the board may think necessary appointed by the board. At present the salaries of the president and the vice president are fixed by the governor in council. Among the proposed amendments is provision for the salary of the president to be fixed by the board with the approval of the governor in council, and for the salaries of the vice presidents to be fixed by the board. Since these officers are directing a business corporation which is in direct competition with other large private businesses in the communications field, it is desirable that the arrangement as to the designation of vice presidents, and so on, be in keeping with the practice in the competitive field in order to maintain the corporation's interest in the field of recruitment and development of senior personnel.

Among the stated purposes of the corporation in the act is that of co-ordinating Canada's external telecommunication services with the telecommunication services of other parts of the British commonwealth of nations. Because of the rapid growth in this field the corporation has become active in the opening of direct services with nations outside the commonwealth, and the bill provides an appropriate change regularizing this procedure.

The act at present provides that the Civil Service Superannuation Act is not applicable to directors, officers and servants of the corporation. In 1961, by virtue of the estimate and appropriation No. 5 of that year, and because of the change in the Civil Service Superannuation Act, the employees of the corporation were brought under the Civil Service Superannuation Act. The appropriate change is now being made in the Canadian Overseas Telecommunication Corporation Act in consequence of that step having been taken.

**Mr. Howe (Wellington-Huron):** I notice the resolution states that co-ordination of Canada's external telecommunication services is to include co-ordination with nations outside the British commonwealth. I am wondering which nations are involved in this program. Does this mean that the corporation is considering laying more underseas cables to these other countries in order to extend the service?

The resolution also speaks about increasing the number of directors and providing for the appointment of vice presidents. However, the number is not given. The resolution does not say how many will be required or what their duties may be. Is there to be, say, a vice president responsible for the commonwealth organization and a vice president to look after communications with the other nations which are being linked with this organization? In short, what will their duties be and how many will be appointed.

**Mr. McIlraith:** Because of the rapid growth in international telecommunication it is now necessary for the corporation to connect its overseas facilities in the Atlantic area with Iceland, West Germany, France, Italy, Switzerland, Norway, Denmark, Sweden, the Netherlands and Belgium. In addition, after Monday of next week, on account of the trans-Pacific cable serving Australia, New Zealand and, ultimately, Hong Kong I believe—and here I am anticipating—that, because of the necessity of having a station in Hawaii, there will have to be an agreement with the United States.

This, by the way, is a crown venture which has been extremely successful and I think it is one in which all Canadians can take a great deal of pride. The corporation has certainly sharply improved the communication facilities between this country and countries overseas.

**Mr. Howe (Wellington-Huron):** The minister has answered my question regarding the other nations involved. Does the corporation already have cables running to these various countries or does it intend to instal new cables? If new cables are to be laid, will the operation be financed by the corporation itself, from its own funds, or will there be a charge on the treasury?

**Mr. McIlraith:** This is one of the corporations which pay full taxes and interest on money borrowed. It is true, it borrows from the treasury, but the corporation pays its way. There will be a new cable physically inaugurated on Monday—the Pacific cable. Her Majesty the Queen will open it officially at an elaborate ceremony, a ceremony which, I think, will be of real interest to Canadians. I would anticipate—and I do not wish to be considered as making an announcement of any kind—that additional transoceanic cable service will be required to meet the growing demand. Demands on the service have increased beyond anything anticipated when this corporation was first set up. Indeed, the

demand has been such that the capacity of the cables already in use has been taken up much more rapidly than was anticipated when they were planned and installed.

**Mr. Lambert:** Does the minister anticipate, in connection with this envisaged expansion, that the corporation will come to parliament to seek more capital funds in the relatively near future? I am hazy about the financial structure of this particular corporation, so perhaps the minister could tell us what the capital requirements are likely to be in the reasonably foreseeable future, since what he has said in the last few moments indicates that a substantial investment will have to be made.

There has been an impression at times that some of these crown corporations operate in the nature of satellites orbiting around parliament. There is a means of communication, yes. You can send up a beam to the president of the corporation through the minister and there may be communication back, but that is all. Some of them have operated in the past on this basis. I am not suggesting this is the case in this instance, but I should like the minister to indicate with regard to this proposed increase in the number of directors and the naming of vice presidents, whether these appointments are to be within the strict jurisdiction of the corporation or whether they are to be the subject of suggestion—whether the board would be amenable to suggestion—from the government. I have some suspicion about the wisdom of creating these satellites. They go orbiting off and parliament cannot get at them. Does this amount to a step further out into the stratosphere for this corporation?

**Mr. McIlraith:** I think the simple answer to the question is, no. The need for this corporation arises out of the fact that it has to enter into commercial contracts with countries abroad and participate in the construction and management of these cable lines across the oceans, so that we may have the advantage of communication by telephone and otherwise. This is the system used by the press agencies, the telephone companies and others requiring to make long distance telephone calls and other communications across the oceans. I am not aware there has been any suggestion of any other way in which an operation of this kind could be managed.

There is nothing involved in this bill, other than changes required because of the growth of the operation. How does one take a cable thousands of miles to Australia without touching on an island owned by the United States? A piece of property must be acquired there so that the cable may be taken across. A similar situation arises in the case of one of the Atlantic cables running to Greenland. Once the cable has been taken across, why should it not be used by the other countries of Europe? Why should its use be limited to one or two countries? I might add that there is very close co-operation in this field, in the Pacific region between Australia, New Zealand, Great Britain, and ourselves; and in the Atlantic region between Britain and ourselves. All these projects are carried out co-operatively.

**Mr. Lambert:** With the greatest respect to the minister, I must say he has done what is done by many kinds of fish when they want to escape from danger; he has obscured the waters. He has given us some technical details which I think we all rather felt we knew, but what I am concerned about is the future financial requirements of Canadian Telex and also the matter of the nomination of directors and vice presidents. Those are the questions I put to the minister, and frankly we have not had any information on them.

**Mr. McIlraith:** I think I should deal with the question of vice presidents. A vice president in the corporation has now come to be looked upon as an employee. It is a designation of an employee, as opposed to the older corporate idea, that a vice president was a part of management and the board of directors. It is to make the necessary change there, that this amendment is being made in the act. I do not know precisely what number of vice presidents there will be. I suspect it will change from time to time, but since it is the designation of an employee that is concerned I cannot see the purpose or the desirability or, indeed, the need for a limitation of the numbers because we are all familiar with the change in administration practice in this regard.

On the question of increasing the number of directors from five to seven, I would point out that this is a pretty big country. It is trite to say that, I know; but sometimes we may overlook it in considering such matters. We have to run an operation now that is almost world encircling. That means that there has to be the kind of personnel on the directorate who have a knowledge of this kind of subject matter. In addition to those who are particularly competent in the financial field we need people with a knowledge of certain more specialized elements of the communications field.

In that connection perhaps it would be useful to hon. members if I were to remind them of the fact that one of the directors is a Canadian Press representative, Mr. Purcell. The requirement for the two extra members is for the purpose of trying to

bring wider representation and making a stronger board. It has also been found that with five directors it has been difficult at times to have a quorum. If there is one man ill and another unavoidably absent, the directors are down to a bare quorum and it is thought that is not sufficient to deal with some of the questions of importance that the board of directors have to deal with from time to time.

With regard to the capital requirements, at this moment I do not foresee any need for additional capital, but there has been such rapid change in the whole field of communications that I am not going to preclude that possibility. I think it would not be responsible to do so, because these contracts are quite costly so far as capital requirements are concerned, although they have turned out to be very profitable from the point of view of earning capacity.

**Mr. Howe (Wellington-Huron):** Mr. Chairman, in connection with the financing we are considering at the present time the resolution uses the words "co-ordination with nations outside the British commonwealth". That brings up the question I asked first of all. Are the cables already built to these other countries? If not, are the other countries going to assist in the building of them? Are they going to pay for the right to connect to the main cable across the Pacific which will be opened in a short time, and also the one that goes across the Atlantic?

**Mr. McIlraith:** The cables I have been talking about are for the most part already in position and it is a matter of making connecting arrangements at the terminal point. That is the way the cable business operates. I took the illustration of the Pacific cable. I have every reason to suspect that there will be requests for connection by other cable companies so they may use our facilities for communications to Canada. But we do not go into cable operation as such in these other countries. In other words, it is not a facility we provide in those countries. The situation is not unlike the telephone companies internally in Canada. You can make a telephone connection with another company in various ways, but you have your terminal point at which you receive the other facility.

[*Translation*]

**Mr. Côté (Chicoutimi):** Mr. Chairman, with your permission, I will say a few words with respect to the introduction of this resolution, which I find very interesting. This resolution tends to create more intimate relations or ties with the other countries of the world.



This offers me, at the same time, the opportunity to point out, as did the minister, that it has been decided to increase the number of directors of the Canadian Overseas Telecommunication Corporation:

> The increase by two of the number of directors of that corporation.

This also gives me a further opportunity of making a suggestion. Would the minister be of the opinion that a French speaking Canadian be appointed to such directorships, in order to restore the communications between the two most important groups in Canada.

Since we are talking about communications, I may say—and no pun intended—that it would be a fine opportunity to restore the communications between the two groups which made this country.

I would also like to draw the attention of the minister to an experience which I had last year, when I was delegate to the interparliamentary union convention at Brasilia, in Brazil. I recall that we were then practically without any contact with Canada; the only link we had with North America was through the United States embassy. Each morning that embassy would present us with a short release which allowed us to keep abreast of what was happening in North America, but we had absolutely nothing from Canada.

That is how I was able to realize that means of communication between our two countries are non-existent.

Brazil, which has a population of 75 million people, is a very large country; she is very friendly and I deplored the lack of means of communication between our two countries. It must be remembered that we were at that time at the peak of the Cuban crisis, and this interparliamentary conference had a deep influence on the settling of that crisis, but few newspapers mentioned that fact. The hon. senators with whom I was will certainly be able to confirm my statement; we were in contact with parliamentarians from communist countries, etc., and the congress of the interparliamentary union had a considerable influence in the settling of the Cuban issue as well as the firm stand taken, especially by the late president of the United States, who has been the victim of a tragic assassination a few days ago.

Our country must establish close relations with the largest republic in South America, "A Republica dos Estados Unidos do Brasil". This is most important, and that is why we must establish ties with this country through cables.

**Mr. Perron:** Mr. Chairman, I should like to make a few remarks on the advisability of

bringing forward a bill to amend or change the Canadian Overseas Telecommunication Corporation Act.

I wonder whether this takes into account the fact that a few months ago the French dailies of America expressed the need of having in Canada a French language news agency because some newspapers pretended that there was a lack in the supplying of news.

I therefore wish that the communication facilities which would be provided by the extension of the telecommunication system in question be also extended, besides the countries mentioned a while ago in the list supplied by the minister, to countries of Latin America. I hope also that the prohibitive cost of news agencies will be reduced and that a new inter-American agency will be created which would be able to facilitate the relations of French daily newspapers on this continent with countries other than the commonwealth countries, since the measure under study tends to amend this crown corporation in order to promote our relations with other countries.

As far as increasing the number of directors of this corporation from five to seven is concerned, I hope that favourable consideration will be given to the suggestion of the hon. member for Chicoutimi regarding the advisability of appointing a French Canadian to one of these positions, in order to better even more the friendly relations between the two countries. This might also facilitate the creation, for the benefit of the French daily newspapers on this continent, of a news agency having easier access to the world telecommunications services.

**Mr. Pigeon:** Mr. Chairman, I have before me the 13th yearly report of this crown corporation. As there seems to be no French speaking person on the board of directors, I ask the minister whether it would be possible that one of the two persons appointed be French speaking.

[*Text*]

**Mr. McIlraith:** Yes, Mr. Chairman. The hon. member for Joliette-L'Assomption-Montcalm, the hon. member for Beauce and the hon. member for Chicoutimi raised this question. I draw your attention to the fact that I would expect one of the directors, Mr. Pelletier, has some knowledge of French.

**Mr. Pigeon:** I understand that Mr. Pelletier is a French Canadian and is one of the directors. but I am thinking of the administration in which no French Canadian has a part.

**Mr. McIlraith:** I think the hon. member moved rather too quickly because I have not completed my remarks as yet. There is the engineer, Mr. Pelletier, on the board of directors. With the addition of two more directors I would think—I do not know how to express this in parliamentary language—the hon. gentlemen might feel the government would give very careful consideration to their remarks today.

In so far as the service to Brazil is concerned, I can tell the hon. member that the condition about which he speaks has been improved since August of this year. There are now circuit connections with Brazil. I may have given an imprecise answer to the hon. member for Edmonton West concerning certain connections with the trans-Atlantic cable on the European side. There are certain connections already made with some of these European countries. I believe the present act does not exclude them, but it is so there will be no doubt as to the legality of these operations that these changes are being made in the bill which will follow this resolution.

**Mr. Pigeon:** I asked the minister if this crown corporation sometimes used the United States Telstar.

**Mr. McIlraith:** I will have to get an answer to that question. The whole question of using satellites in substitution for cable is something we could discuss here at considerable length. Just when this stage will be reached, I cannot say now. I do not believe in using a crystal ball; I believe in careful planning and taking advantage of these developments, as well as pressing research on them as quickly as possible. I could not conjecture as to the time when we would use this device.

**Mr. Lambert:** I have one final question for the minister. Legislation in this regard has been ready for some time, so the corporation would have looked at the persons available to fill the expanded directorate. Perhaps the minister is in a position to tell us now who they are going to be.

**Mr. McIlraith:** I regret, Mr. Chairman, I could not enlighten the hon. member at the moment.

**Mr. Pigeon:** A few minutes ago I asked the minister if it was his intention to amend the regulations governing this corporation so there would be French Canadians taking part in the administration of the corporation.

**Mr. McIlraith:** The situation there is one having to do with the internal management of the corporation. I am going immediately to draw the situation to the attention of the management. I am not qualified to give an answer at the moment.

In so far as the use of Telstar is concerned, perhaps my answer was not sufficiently clear. We have not, of course, used Telstar.

**Mr. Douglas:** The minister mentioned careful planning, and I wonder what type of economic survey has been made concerning the economic feasibility of extending these facilities as proposed in this legislation. The minister may want to leave this matter until the legislation is actually before us, but I would assume that this involves a sizeable outlay of funds to expand these facilities. I am sure some economic survey has been made as to the anticipated return and how some of these facilities would earn enough to meet the capital investment.

**Mr. McIlraith:** This bill does not involve expanding the facilities in the way indicated by the hon. member. As to the studies, there are constant studies going on in co-operation with—if I may use the term—related authorities in the different countries, namely the United Kingdom, Australia and New Zealand, in so far as the Pacific cable is concerned, and regarding the scientific advances being made and the economics of them. But there is no completed study, and no immediate contemplated increase I can speak of today, because the developments simply are not at that stage. I thought I had indicated this earlier.

**Mr. Douglas:** Perhaps I misunderstood the minister. I thought he spoke of additional cable facilities that are in contemplation.

**Mr. McIlraith:** No doubt there will be further requirements. The demand and the developments are so great in this whole field of telecommunications, both in this country and all over the world, that it is reasonable to assume there will be demands for additional circuits across the ocean, but at this moment there are none immediately contemplated. However, I was very careful to be cautious in this respect because of the rapidity of change.

**Mr. Pigeon:** This crown corporation uses the Bell Telephone Company of Canada, and I would like to ask the minister how much it cost the corporation to use that company last year. I know it is a poor company, and it is for that reason I want to know.

**Mr. McIlraith:** I do know the corporation collects a great deal of revenue from overseas long distance telephone calls initiated through the Bell system. I will try to get a precise answer for the hon. member.

**Mr. Pigeon:** I would like to know if Bell Telephone imposes its tariff, or whether it is possible for the crown corporation to engage in negotiation of an agreement with the telephone company.

[Mr. McIlraith.]

**Mr. McIlraith:** No, the Bell Telephone Company cannot impose the tariff. The corporation owns the facilities, and it is the one which imposes the tariff.

**Mr. Howe (Wellington-Huron):** I do not remember the minister answering my question in connection with how many vice presidents there will be, and I would also ask him if the appointment of these vice presidents will come under the civil service commission?

**Mr. McIlraith:** The short answer to the latter question is no, but I think the hon. gentleman should leave his question until the bill is being considered, because I think it should be discussed at that stage.

[*Translation*]

**Mr. Perron:** Could the minister tell us whether to date he has received representations from French dailies promoting the setting up of a French language news agency in Canada through the improvements in the telecommunication services?

The minister just discussed the economic soundness of those improved services. Did the minister receive representations from French dailies to the effect that this crown corporation should be encouraged to provide for the setting up of a French language news agency?

[*Text*]

**Mr. McIlraith:** Not as far as I know, Mr. Chairman, but I want to go into that answer further and if there is any change from what I have said I will inform the hon. member.

Resolution reported and concurred in.

**Mr. McIlraith** thereupon moved for leave to introduce Bill No. C-112, to amend the Canadian Overseas Telecommunication Corporation Act.

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

On clause 1—*Composition of board.*

**Mr. Douglas:** I wish to come back to the question I raised at the resolution stage. The minister spoke of extending the service of the telecommunications corporation to other countries outside the commonwealth. I take it this will not involve any additional expenditure, but will involve entering into arrangements with those other countries to use the services already constructed?

**Mr. McIlraith:** This is what I was seeking to indicate. It does not necessarily mean construction of additional cables for that purpose.

**Mr. Douglas:** If there are any extensions of existing cable services, will they have to come back for money or have they sufficient capital on hand?

**Mr. McIlraith:** No, under the legislation they do not have to come back but an appropriation might be required for this purpose.

**Mr. Douglas:** Is there any limit on the amount of money granted under the act?

**Mr. McIlraith:** It is covered by section 14 of the act, and the amount of capital is $4½ million. Money may be appropriated in any amount for capital purposes.

**Mr. Churchill:** Would it not be wise to leave this now in committee of the whole? We have done pretty well today, with resolution stage and first and second reading. Hon. members now will have a chance to go through the bill and study it.

**Mr. McIlraith:** I would be quite agreeable to that procedure. I think we have done pretty well this afternoon. However, at the same time there is a suggestion I might make. There is a national harbours board bill, and we might dispose of it.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** Mr. Speaker, may I ask the house leader to indicate the business for tomorrow.

**Mr. Pickersgill:** Mr. Speaker, in response to the request of the hon. member for Winnipeg South Centre, I should first like to say how much I appreciate the co-operation that has been extended today on all sides of the house, in what has been the kind of day I think none of us hope we will have to go through again for some time.

Tomorrow, as I indicated earlier in my discussions with hon. gentlemen opposite, it is proposed by the government that we should start consideration of the problem of redistribution and take first the resolution standing in my name to set up a representation commissioner. There is also a bill, of which notice has been given, in regard to which I would probably move first reading tomorrow. It is on the order paper today. Before doing either of those things, if there is no difficulty we will take the third reading of the bill respecting the Railway Act so that it could go on to the other place. I assume the redistribution measure would not go through in one day, and that would also be the business for Wednesday.

It was understood that on Thursday the house would go into committee of supply as soon as the orders of the day were reached and we would have a debate on the estimates of the Department of External Affairs. The same procedure would be followed on Friday, and we would have a debate on the estimates of the Department of National Defence. I will let hon. members know a little later in the week what second department will be available for each of those days, in case hon. members run out of things to say on the first two departments. I think however, that is an unlikely contingency.

It being five minutes after six o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Tuesday, November 26, 1963**

The house met at 2.30 p.m.

## MINES, FORESTS AND WATERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

**Mr. O. J. Godin (Nickel Belt)** presented the first report of the standing committee on mines, forests and waters, and moved that the report be concurred in.

Motion agreed to.

## TRADE

STATEMENT RESPECTING FORTHCOMING TARIFF NEGOTIATIONS

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, in responding to a question from the hon. member for Danforth on October 21 I undertook to inform the house on the current status of the preparations for the round of GATT trade negotiations scheduled to get under way next year. This round is colloquially known as the Kennedy round, a phrase which recalls to all members the courage and the wisdom of the late president of the United States.

On May 24 I reported to the house on my return from a meeting of trade ministers in Geneva that it had been agreed in principle to convene a comprehensive trade negotiating conference on May 4, 1964. This major negotiation is to cover all sectors of trade, including agriculture. In taking this decision the GATT ministers recognized that a great deal of preparatory work would be required before the opening of negotiations. For this purpose a trade negotiations committee has been established, composed of representatives of all the participating countries, to elaborate the rules for the tariff negotiating plan to be adopted, to work out the means for dealing with the special problems of agricultural trade and non-tariff barriers to trade, and to consider the participation of less developed countries in the negotiations.

This committee, of which Canada is a member, has held a number of meetings and established a series of subsidiary groups to work on particular questions. A subcommittee on the tariff negotiating plan has been at work. The elaboration amongst the countries concerned of a suitable across the board linear reduction plan designed to be largely automatic in operation requires the most careful and detailed examination. Hon. members will recall that while GATT ministers agreed on the adoption of a linear plan for the negotiations, it was accepted that for countries such as Canada, for which a linear plan would not be appropriate because of the characteristics of our production and trade, the objective would be the achievement of reciprocity through an exchange of concessions of equivalent value.

In the field of agriculture a general agricultural committee has been established by the trade negotiations committee. The terms of reference of this committee are as follows:

> The committee shall consider and submit to the trade negotiations committee recommendations in regard to the rules to govern, and the methods to be employed in the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products.

A cereals group has met to examine the possibility of coming to general international agreement on acceptable conditions for access to world markets for wheat and other cereals. This group is meeting again during the present month. A group on meats has held one meeting, and a similar body will be established on dairy products. Other subcommittees are dealing with non-tariff barriers and the participation of the less developed countries.

Preparation for a major trade negotiation of the scope which is contemplated is a complex process involving progressive recalculations of the varying interests of participating countries. Agreed methods and procedures will take some time to work out. Indeed, there has already been what the technicians refer to as some slippage in the schedule originally envisaged for the preparatory work. The house will appreciate, however, that the negotiating conference itself is not scheduled to open until May of next year.

Canada is participating actively in the preparatory work and will continue to do so. We wish to ensure so far as possible that the negotiations will have broad coverage and will be substantial and successful. It is important for Canada that the foundations for the negotiations should be soundly laid and should accommodate our own negotiating interests as well as those of the larger participants such as the United States and the European economic community. Our current efforts are directed to this end.

*Tariff Negotiations*

In addition to the preparations being undertaken internationally, each participating country in the months between now and the formal opening of the negotiations next year will be developing its own negotiating position, including its assessment of benefits and the elaboration of its contribution to the bargaining in the light of its national and particular interests. As I have mentioned on a number of occasions, the government will be very anxious to have the views of all affected Canadian interests in preparing the Canadian negotiating position. However, announcement of procedures for receiving these views has been deferred until the framework of the negotiations can be outlined with more certainty, and I regret to say that it is not possible to give the necessary certainty at the moment.

Nevertheless, for many of the Canadian interests concerned there may be useful preliminary studies which can be initiated now. I know that some organizations in particular sectors of the economy have already begun such studies. The scope of the tariff reducing authority of the United States is known, as is the objective of the United States administration to use this authority to the maximum consistent with the procedures laid down in the trade expansion act and an adequate response from its trading partners, in particular the European economic community. It would be useful for industry to begin to identify and evalue the export opportunities which may be presented in the United States and other main markets so as to be able to respond quickly and effectively when the government is in a position to consult on a more precise and specific basis. It would also be useful if at this stage exporters would advise the Department of Trade and Commerce of barriers to trade other than tariffs which may stand in the way of the expansion of their sales to particular countries.

This statement which I am making today is in part an announcement to the business community, as well of course as to the members of the house, of the procedures we contemplate. The Department of Trade and Commerce itself has been in touch with exporters generally. Indeed, within the next few days I expect to have some informal discussions with leading members of business communities. It is in the light of the government's assessment of the trade benefits of the prospective negotiations that consideration will be given to the concessions that may be appropriate on Canada's part.

[Mr. Sharp.]

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** The general purport of the remarks of the Minister of Trade and Commerce will receive the support of Her Majesty's loyal opposition. Indeed, I recall that in September of 1962 I brought before the prime ministers' conference in London the need of a world conference amongst democratic and like minded nations to the end that an arrangement could be entered into for multilateral trade. This suggestion, when made to the prime ministers' conference, was received with criticism in Canada by some of the hon. gentlemen now sitting opposite. However, in the month of October I submitted the matter to the late President Kennedy, set out in the same detail I used when I placed this matter before the prime ministers' conference. Within four days thereafter he informed me by letter, which is available to the house, that he would join with Canada in this initiative which he considered would be of major importance and beneficial to the extension of trade multilaterally throughout the world.

Mention has been made by the minister of preparations being made for the conference next May, I think it is, in Geneva. Certainly the events of the last several weeks have not been indicative of the same determination on the part of some western nations to bring about the desirable objectives of multilateral trade in the terms enunciated by the minister as seemed probable during the summer and early autumn of this year. I hope Canadian industry will react to the suggestion of the minister, and that Canadian interests as a whole will place before the minister and the government their viewpoint on this most important matter.

When we, as the government, said that across the board tariff cuts were not possible unless Canada was prepared to be sacrificed in various industrial areas, that view was ridiculed. However, today it is accepted; it is recognized, as the minister has said, that a linear cut, an across the board cut, would not bring about for Canada that degree of economic certainty to which she is entitled. As a matter of fact, with United States tariffs higher than ours, were we to make the same rate of cut the result would be very little improvement in our potential for the acquisition of markets in the United States and, on the other hand, a vast increase in the potentiality of the United States to trade in Canada.

Therefore I am sure that since the government has accepted the view that was ours, we will naturally follow the course of supporting whatever may be done in this connection. But I would point out one fact, namely that the last two or three lines in the minister's statement indicated to me that certain sacrifices might be asked for on the part

of Canada. My hope is that in whatever action is taken we will maintain to the largest degree possible our preferences within the commonwealth, those preferences having meant so much to our country. The United States throughout has desired to remove those preferences. I know we had discussions in this regard during the so-called dialogues that took place between our government and the government of the United States; but we took the stand, and we still do, that the commonwealth has something to offer, and that there should not be a sacrifice of those preferences because of the desire of other countries to bring about such changes.

Mention was made of agriculture, and I would think this is going to be a very difficult field. One has only to look at the events of the last few days to realize what the situation is in the European community. There were many who claimed that we should try to secure associate membership in the European community but, sir, you do not hear so much about that now.

We find there is grave disagreement among the nations of that community, and in particular with reference to agriculture. I would like very much, and I am sure the house would also like, to have the opportunity to hear the minister explain what the result will be to Canada's markets for wheat in the event that the plan proposed by Mr. Sicco Mansholt, vice president of agriculture for the common market, were carried into effect. The other day he suggested that the common market should have uniform grain prices. That means the uniform grain price in West Germany, France, Italy, Belgium, The Netherlands and Luxembourg would be $100 a ton. I have not worked this out, but mental arithmetic leads me to believe it would be about $2.90 a bushel, which would be 9 per cent above the current price in France, the community's chief producer of wheat.

If this plan is accepted it means a large increase in France's production of wheat. It is actually all important to wheat production, and I am sure this is something that will command the attention and consideration of the Canadian government. In endeavouring to bring about extension in trade I hope there will be no sacrifice of Canadian agricultural interests because of the action of the European common market.

It is difficult to follow the minister in the detail which he has given. No advance notice was given that there would be a statement in this regard, but I thought I ought to make these observations:

1. Having consistently advanced multilateral trade during the period we were in office, we support the action now outlined.

2. We are pleased to find that the old idea of linear and across the board cuts has now been departed from.

3. In connection with agriculture we hope the European common market's initiative, which I mentioned a moment ago, will be watched carefully throughout and that our markets on continental Europe shall not thereby be sacrificed.

**Mr. Reid Scott (Danforth):** Mr. Speaker, on behalf of the New Democratic party I want to thank the minister for his statement, of which he has given us notice from day to day in the past. We knew the statement was coming and were eagerly awaiting it. Those of us who are interested in this field have had so many communications from business and agricultural communities across the country that I for one realize we really cannot deal with this matter adequately on a statement on motions. The issues the minister has raised and the implications of this policy upon the whole Canadian economy are so great that I would earnestly suggest that some time in the new year the minister try to arrange a general debate on this subject; because the matters raised in this statement are far too complex and difficult to deal with at this stage, although we can make some general observations.

I would urge the minister to try to arrange a convenient time at which this matter could be more thoroughly explored. I am sorry, for example, that the minister has not said anything about the implications to the whole program of the French position. Those of us who were on the recent trip to Europe were very impressed by the apparent determination of the French government to torpedo these talks. None of us yet knows the effect of President Kennedy's death upon the whole proposal that is now before us. There are signs in statements now emanating from officials in Washington which seem to indicate that some of these people are having second thoughts about this particular program. I hope the minister will be able to give us some information on this score.

But I come back to the main complaint we have been making from the beginning in regard to the whole Kennedy tariff negotiations. We still do not feel that the government is taking the country into its confidence. The minister has spoken about the desire to enlarge export opportunities, but there is still no clear indication from this government as to where it is going with respect to the concessions it intends to make and how these concessions are going to affect the Canadian economy. I suppose the business community from coast to coast is still in a quandary wanting to know whose ox is going to be gored in these negotiations and what

plans and programs the government is going to develop to assist them through what will be a fateful transitional period.

I still feel that we are no wiser now than when the minister commenced his statement. The detailed portions of it are of course helpful and will be studied, but so far no clear indication is given to the business community as to what kind of program the government are going to follow, what kind of concessions they are willing to make, who is going to be affected by this, and what plans the government has to assist these industries through the transitional period. We still have no clear indication from the government where it is going in this regard. We have no announced policy in regard to adjustment assistance, without which we have been told we are seriously handicapped and cannot carry on effective negotiations. We were glad to hear the minister talk about commodity agreements, because in many areas these are the only long term solution. We would like to know what the plans are to work out agricultural problems with the European economic community.

All I am saying, Mr. Speaker, is that it is just not possible to deal with this matter on motions. It is so serious, so far reaching, so complex, and carries with it such great implications for the whole Canadian economy that I urge that at some convenient time in the very near future a thorough debate be scheduled to discuss this matter.

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, this not being the time for speech making or debate, I would impress upon the Minister of Trade and Commerce the necessity of keeping the house informed on this matter. I support the remarks just made by the hon. member for Danforth and urge that an opportunity be provided for not only a debate on this entire issue but also for studying this whole question, because certainly trade is one of the basic problems that we must face in this increasingly competitive economic world.

I congratulate the minister for having again raised this matter, and I think his remarks indicate something that is sorely needed in our economy. I refer to the need for more consultation and co-operation among the various aspects of our economy. It is a good thing that business is being brought into it. I believe the work of Canada on the committee and the leadership which Canada can give in relation to trade can be made much more effective on this basis.

I would just add that we in Canada do stand in need of a permanent and projected trade policy for agriculture which will give the necessary assurance to what is still our basic industry. I also remind the minister and his government that along with this question of trade one of the most vital aspects which cannot be separated from it, is the problem in the world today concerning the balance of payments. Along with the newer trade patterns there must also be a new financial arrangement worked out which can facilitate the trade policies which are developed.

I would also remind him that we have not only an obligation but an opportunity within our own commonwealth of nations, and I trust that as we are looking over the entire trade situation we do not forget the aspect of trade that relates to the commonwealth. It is now some six years ago that Great Britain offered us free trade as far as their part of the commonwealth was concerned. The government at that time turned their back on this suggestion; but certainly in the over-all picture there is no better place to begin than with the commonwealth.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I had not been told beforehand about the statement just made by the Minister of Trade and Commerce (Mr. Sharp). Nevertheless, that statement is indicative of the great interest shown by the government in external trade and our trade relations with countries all over the world. It seems intent on increasing negotiations to get a bigger share of international trade, especially with Europe.

The Leader of the Opposition (Mr. Diefenbaker) said preference should be given to commonwealth countries. Personally, I think preference should go to countries offering the best guarantees and the best terms, wherever they may be.

Those which do business with us do not do so out of love for Canada but because it is to their interest. Thus we sell wheat to foreign countries at prices lower than those in force in our own country.

It is desirable of course that we seek to deal as much as possible with foreign countries but we must not forget that our domestic market comes first.

We have overseas ambassadors, trade commissioners and others; our industrialists are represented and see to it that our trade relations are maintained and improved in those countries.

There should be government representatives in all regions of Canada to stimulate our domestic market and try to get all the countries of the world to buy our surplus production.

That is our wish and our hope in this corner of the house; moreover, we would ask

the minister to introduce as early as possible a bill or a resolution that we could discuss so as to meet as quickly as possible the needs on both the domestic and foreign markets.

[*Text*]

## RAILWAYS, AIR LINES AND SHIPPING

PERSONNEL OF SESSIONAL COMMITTEE

**Mr. Maurice Rinfret (St. James)** moved:

That the sessional committee on railways, air lines and shipping appointed November 15, 1963, be composed of Messrs. Addison, Balcer, Bechard, Bell, Deachman, Fisher, Forbes, Granger, Gregoire, Gundlock, Hahn, Leboe, Lloyd, Macaluso, Mitchell, Monteith, Muir (Lisgar), Nugent, Prittie, Pugh, Richard, Rideout, Rouleau, Rock, Sauve and Southam.

Motion agreed to.

## CONSUMER CREDIT

CONTROL OF USE OF COLLATERAL BILLS AND NOTES

**Mr. S. Perry Ryan (Spadina)** moved for leave to introduce Bill No. C-113, to provide for control of the use of collateral bills and notes in consumer credit transactions.

**Some hon. Members:** Explain.

**Mr. Ryan:** Mr. Speaker, as hon. members know the Small Loans Act regulates part of the cash loan field in Canada. Somewhat by analogy to that act, this measure is designed to regulate the consumer credit field as far as I believe it is possible for the federal government to go at the present time until interpretations have been handed down by the courts defining provincial and federal jurisdiction with more certainty.

This bill has two main purposes; first of all, to give warning to makers of promissory notes given as collateral to deferred payment agreements in consumer credit transactions that they may become liable for payment of the notes to third parties who are innocent purchasers of the notes for value and without notice of the sale of goods transaction; second, to limit the rate of interest chargeable on such notes.

This bill offers alternatives and a somewhat different approach to ideas already contained in one or two bills which are before the special joint committee of both houses on consumer credit. It is my hope that with the unanimous consent of the house the Solicitor General will move to refer this bill to the joint committee on the motion for second reading.

Motion agreed to and bill read the first time.



*Inquiries of the Ministry*

## EXTERNAL AFFAIRS

CUBA—SENTENCE IMPOSED ON ARRESTED CANADIAN CITIZEN

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, while appreciative of the fact that the Cuban government provided an open trial for the two Canadians charged with offences against that country, the sentence imposed on one of them of 30 years is difficult to understand on the basis of ordinary humanitarian principles. I would ask the minister what the government intends to do in this regard, and what are the possibilities, if he is able to say, of there being a major amelioration of the term imposed.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, at the present time all I can say in answer to the hon. gentleman is that an appeal is being lodged against the sentence in the case of one of the accused. What the result will be I cannot, of course, say; the course to be followed will depend on the outcome of the appeal.

**Mr. Diefenbaker:** Mr. Speaker, would the minister say to whom the appeal is being taken? Is it to a court, or is it to the president, or what is the technique?

**Mr. Martin (Essex East):** I understand, Mr. Speaker, that the appeal will be taken to a military body that is of a judicial nature. It may be that the judicial body in question is the same body that tried the accused. This, of course, would be unusual under our procedures, and this has been indicated already in the discussions and conversations we have had with the ambassador here and with the government of Cuba itself.

**Mr. Diefenbaker:** Would the minister not say that an appeal like that, from the trying and sentencing body to that same body sitting en banc, would not be much of an appeal, although we have had that experience in our own country in connection with certain administrative appeals in the past? What has been the suggestion of the government of Canada in connection with the appeal? Has it been suggested that the appeal be direct to the president?

**Mr. Martin (Essex East):** Mr. Speaker, I have already indicated the particular steps which would be involved under our procedures. The judicial body involved in the appeal may not be in accordance with our procedures. Having in mind the interests of the accused, I feel I cannot say any more at this moment.

*Inquiries of the Ministry*

**Mr. T. C. Douglas (Burnaby-Coquitlam):** A supplementary question, Mr. Speaker. Ronald Patrick Lippert is alleged to have confessed that he was an agent for the United States central intelligence agency. I wonder whether the minister's department has made any inquiries as to the accuracy of this statement, and whether the confession was actually made and is in accordance with the facts. If so, does the minister intend to make any protest to the government of the United States for having one of its agencies involve a Canadian citizen in illegal acts against another country with which we have normal diplomatic relations?

**Mr. Martin (Essex East):** Mr. Speaker, I am sure the hon. gentleman will understand why I would not want to comment now on these alleged facts. I make no comment on whether they are true or whether we have any indication to lead us to believe they are not true. I make no comment on this point at all. Certainly until the judicial proceedings have been completed I do not propose to say anything that might prejudice in any way the conclusion of those proceedings.

**Mr. Douglas:** A supplementary question. Does the minister intend, however, to carry on an investigation to see if the facts as alleged in the said confession are accurate?

**Mr. Martin (Essex East):** I do not want to say anything at this time until the judicial proceedings have been completed.

**Mr. Douglas:** The minister has succeeded in not saying anything.

**Mr. H. W. Herridge (Kootenay West):** A supplementary question, Mr. Speaker. Did a Mr. Garfat, a Mr. Rueben or any other businessman from Ontario visit the minister or any of his officials to discuss arrangements for the flying of these canned goods to Cuba?

**Mr. Martin (Essex East):** Mr. Speaker, I do not know whether the particular canned goods in question were discussed with the minister, but I shall look at the documents and see what is the situation.

[*Later:*]

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, I should like to ask the Minister of Justice if an investigation is being undertaken, in view of the evidence at the trial in Cuba, into the reported canning of the explosives in the Toronto area.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I am afraid this is a matter which does not fall within the responsibilities of the Department of Justice. This is an event which has taken place in another country.

**Some hon. Members:** Oh, oh.

[Mr. Martin (Essex East).]

**Some hon. Members:** Toronto.

**Mr. Chevrier:** If I may be allowed to complete my answer, in the light of the question which the hon. member has put I will be glad to ask our people to look into the matter.

**Mr. Douglas:** A supplementary question, Mr. Speaker. Surely the minister must have misunderstood the question. The question the hon. member asked was with reference to certain goods which it is alleged were canned in Ontario, and now it is claimed that the cans contained explosives. Surely it is the responsibility of the police authorities to see whether persons are canning explosives under the guise of canning food.

**Mr. Chevrier:** Mr. Speaker, I must admit at once, and I apologize to the hon. gentleman, that I misunderstood the question as it was put. However, having regard to the answer already given by the Secretary of State for External Affairs to a related question, I have nothing to add to what he has already said.

**Mr. Peters:** We do not want to carry the question any further, but the suggestion has been made that this canning was done in Canada, and this question has no relationship to the problem of external affairs. If this is being done I presume a criminal offence would be committed, and this could be investigated irrespective of the decision made by external affairs.

**Mr. Chevrier:** I shall be glad to look into the question. I am sure my hon. friend realizes that if there is an offence under the Criminal Code the constitution is quite clear that this would fall within provincial jurisdiction. So the attorney general of the province is the one who normally, under those circumstances, would have a certain responsibility. I do not want to take responsibility from the Department of Justice, if there is any, and I shall be glad, as I said earlier, to look into the matter.

[*Later:*]

**Mr. Herridge:** Mr. Speaker, I desire to direct a question to the Minister of National Health and Welfare. Would the minister inform the house whether canned goods being exported from Canada are subject to inspection by inspectors of the food and drugs division of her department?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** I do not know offhand, Mr. Speaker, but I know we do not inspect them to see if they are explosives.

## NATIONAL DEFENCE

NATO—REPORTED PLAN TO REDUCE CANADA'S EXPENDITURE

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of National Defence. Could the minister tell the house whether there is any truth in the report, published in this morning's edition of *Le Devoir,* to the effect that the government is considering a cut of its military expenditures within NATO, in order to put more money at the disposal of the Canadian provinces?

[*Text*]

**Hon. Paul Hellyer (Minister of National Defence):** No, Mr. Speaker, I do not think there is any official basis whatsoever for that report.

## TRANS-CANADA AIR LINES

SASKATCHEWAN—INQUIRY AS TO PROVISION OF JET SERVICE

On the orders of the day:

**Mr. J. N. Ormiston (Melville):** Mr. Speaker, I should like to direct a question to the Minister of Transport. Does the minister know whether Trans-Canada Air Lines has plans for jet service in Saskatchewan when, or before, the DC-9's go into service in 1966? In particular, will Regina and Saskatoon be included in transcontinental jet service?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, the only way T.C.A. jet service could be provided to Saskatoon and Regina before the delivery of the DC-9's would be by the DC-8's. At the present time T.C.A. has no plans for making DC-8 intermediate stops between Winnipeg and Calgary in the case of Regina and Winnipeg and Edmonton in the case of Saskatoon. I would expect that both Regina and Saskatoon would have jet service after the DC-9 has been placed in service.

RECOMMENDATIONS RESPECTING NEW PLANES AND WINNIPEG MAINTENANCE BASE

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I direct a question to the Minister of Justice in his capacity as Acting Prime Minister?

Can the minister tell the house why, on the one hand, the government accepted the recommendations of Trans-Canada Air Lines on the choice of the DC-9, while on the other hand, it rejected the advice of those experts who recommended the transfer of T.C.A. workshops from Winnipeg to Montreal?

**Hon. Lionel Chevrier (Acting Prime Minister):** The Prime Minister made a statement in the house last week on three questions relating to the activities of Trans-Canada Air Lines. He has thus outlined the government policy, and it is not for me to comment on the Prime Minister's statements.

**Mr. Pigeon:** Mr. Speaker, may I ask a supplementary question?

As Canada has an adverse trade balance with the United States, has the government reconsidered its decision, and bought for Trans-Canada Air Lines another plane instead of the DC-9?

**Mr. Chevrier:** If the hon. member is trying to imply that Canadair did not get its fair share of contracts with the United States, he is mistaken, for I feel that the statements of the Prime Minister clearly establish that this company will get quite a considerable number of contracts.

**Mr. Pigeon:** Mr. Speaker, I rise on a point of order.

I asked the minister a specific question. I asked him if buying a DC-9 from an American company, and the fact that some parts for it would be made in the United States, would not contribute to increase the deficit in our trade balance with the United States?

**Mr. Chevrier:** Mr. Speaker, there is no point of order.

It seems that the answer I gave the hon. member did not satisfy him, but he should remember that the purchase of DC-9 planes will involve very important sub-contracts which will promote the expansion of the Canadian economy.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, may I direct a supplementary question to the Minister of Justice, in his capacity as Acting Prime Minister?

Does the minister intend to make known the report of experts in favour of the DC-9 aircraft instead of the Caravelle and to disclose the reasons that brought about the purchase of the DC-9 aircraft rather than the other?

**Mr. Chevrier:** Mr. Speaker, I do not know whether it is in order to publish or make known technical reports such as that one.

Of course, the decision rests with the Minister of Transport, but according to the stand taken by the previous government and of the preceding one when technical reports were submitted, it will be recalled that they were considered as privileged material between the crown corporation and the government.

*Inquiries of the Ministry*

**Mr. Gregoire:** Mr. Speaker, may I put a supplementary question to the Minister of Transport?

Does the minister intend to make known the experts' report and can he assure the house that no member of the house had the opportunity to see this report?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** The Minister of Transport does not intend to publish the report. The Minister of Transport can assure the members of the house that this report has not been shown to any members of the house, but its contents have been shown to members of the cabinet.

[*Translation*]

**Mr. Pigeon:** Mr. Speaker, may I direct a supplementary question to the Minister of Justice?

Would the minister tell the house why the government recommended the purchase of an aircraft that has not been tested yet, leaving aside two other aircraft, including the Caravelle, which has already stood the test on an international scale?

**Mr. Chevrier:** Mr. Speaker, the answer to this question is very easy. It is not the government that recommended the selection of that aircraft; it is the crown corporation, after a careful study, that made the recommendation, and the government accepted it.

**Mr. Pigeon:** The government interfered with this decision.

[*Text*]

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Minister of Transport. In view of the uncertainty that exists at Winnipeg over the question of whether the T.C.A. overhaul maintenance base is going to be retained there, as a result of the statements made by the minister and the president of T.C.A. after the Prime Minister's statement the other day, will the minister consider having prepared a clearcut statement that will do away with this uncertainty and tell us what the work is that will maintain the base there and the full employment that has been indicated for the next 10 years?

**Mr. McIlraith:** I might try to do that, but I have a suggestion for the hon. member. I hope the officials of Trans-Canada Air Lines will be before the sessional committee within the next week or two, and it would seem to me that would be the place to have such information put on the record.

**Hon. Gordon Churchill (Winnipeg South Centre):** May I ask a supplementary question. Last week the minister said, and these are his words, "I would hope it would be maintained and probably increased, but I cannot be precise on the matter at the moment."

**Mr. McIlraith:** What is the page reference?

**Mr. Churchill:** It is page 5055. Is the minister not holding out false hopes to the people of Winnipeg by statements such as that? On what does he base the statement that employment might be increased, when the jet planes are not going to be serviced at Winnipeg and the Viscounts are going to be withdrawn?

**Mr. McIlraith:** I tried to explain this to the hon. gentleman on Friday last. The significant part of the announcement is that the Viscounts are not to be withdrawn, as was previously indicated in the announcements a few months ago. This is the significant part. Now, those Viscounts are becoming older planes which certainly will require to be serviced.

I have not got the *Hansard* reference, but in answer to a question I indicated that I expected the employment level would be maintained or even increased above the present level. In answer to a further question from the hon. member I indicated that I would not give an assurance that the DC-9 maintenance work would be done at Winnipeg.

That is what has been said on this subject so far; and should any further assurance be wanted, if the hon. gentleman will phrase his question carefully I will try to get a careful answer for him, because I am as anxious as he is to have these fears in Winnipeg removed. I have indicated that the fears in Winnipeg have grown larger than the facts warranted, even before the announcement, and for that reason as well as others I am anxious to have them quite allayed. I believe the situation in Winnipeg with respect to this matter is very much better than I was able to convey to the hon. member in answer to questions on last Friday.

**Mr. Churchill:** As a further supplementary question, can the minister give an assurance that the number of Viscounts now in T.C.A. service will be maintained at the same level during the next 10 years, and that they will be serviced at Winnipeg?

**Mr. McIlraith:** No. It would be utterly irresponsible to give an assurance in those terms.

**Mr. Knowles:** As a supplementary question, Mr. Speaker, in view of the uneasiness in Winnipeg to which the minister has referred, and even though that committee is going to meet soon, will the minister consider giving a carefully prepared statement which will reconcile what Mr. MacGregor said with what the minister has said, and thus get this thing cleared up? I am sure he read what Mr.

MacGregor said the day after the announcement was made, and that he realizes there is a real basis for the uncertainty that exists in Winnipeg.

**Mr. McIlraith:** I will be very glad to consider that, Mr. Speaker.

[*Later:*]

On the orders of the day:

[*Translation*]

**Mr. Guy Marcoux (Quebec-Montmorency):** Mr. Speaker, I should like to put a question to the Minister of Transport. Could the minister tell the house whether Trans-Canada Air Lines is considering the possibility of increasing its fares to make up for the $20 million deficit that will follow from retaining the maintenance base at the Winnipeg airport?

[*Text*]

**Mr. McIlraith:** No, Mr. Speaker.

**Mr. Knowles:** Mr. Speaker, may I ask a supplementary question. Does the minister, by that answer, confirm the figure to which the hon. member referred?

**Mr. McIlraith:** No, Mr. Speaker.

[*Later:*]

REQUEST FOR EMPLOYMENT OF BILINGUAL PERSONNEL

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, my question is directed to the Minister of Transport, and I want to make it one of personal privilege.

For the last two sessions I have been insisting that French be spoken on T.C.A. aircraft, especially by hostesses on duty aboard Vanguards or Viscounts.

I have to inform the minister that yesterday several members, including Your Honour, Mr. Speaker, and the hon. members for Iles-de-la-Madeleine (Mr. Sauve), Lapointe (Mr. Gregoire), Charlevoix (Mr. Belanger) and Shefford (Mr. Rondeau), boarded a plane at noon, at Montreal, on flight 351. We had but one hostess and she was not bilingual.

Will the minister tell me if he is making fun of us when we ask him for bilingual hostesses on T.C.A. aircraft? We are not asking that English be done away with but that French be spoken at least between Montreal and Ottawa.

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** This whole matter is one which has received very close attention. I am sorry I do not have the details with me at this moment, but a great deal of work has already been done in this connection. Efforts are being made to ensure that in all these aircraft attendants should be bilingual on routes where that is desirable or required. I am sure if the hon. member would pursue his question in the committee he would get a statement in detail as to what progress has been made in this field in the last three or four months.

## TRANSPORTATION

SHORTAGE OF SLEEPER ACCOMMODATION ON TRAINS TO WEST

On the orders of the day:

**Mr. J. E. Pascoe (Moose Jaw-Lake Centre):** Mr. Speaker, I also have a question for the Minister of Transport. It is somewhat related to earlier questions regarding the shortage of railway box cars, but this time it is in connection with the apparent shortage of railway coaches. Does the minister know that there is no railway passenger sleeper accommodation available from December 18 to December 24 for travel to the west? I called for a reservation during that week, and I was told that there were three pages of names on the waiting list. Will the minister use his good offices to see that additional facilities are provided so that people may be able to make their Christmas holiday trips as planned?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I shall be very glad to draw the hon. member's question to the attention of the railways.

## AGRICULTURE

DISMISSAL OF P.F.A.A. SUPERVISOR FOR SWIFT CURRENT

On the orders of the day:

**Mr. Jack McIntosh (Swift Current-Maple Creek):** Mr. Speaker, I should like to direct my question to the Minister of Agriculture, but in his absence I will direct it to the Acting Prime Minister. It arises out of a statement the Minister of Agriculture apparently made to a Liberal audience in Red Deer, Alberta, as reported in the Edmonton *Journal* of Monday, November 25, in which he said in part "Patronage, what is that? I select people according to merit." If it is government policy that personnel are selected on merit why was it, in view of this statement by the minister, that Mr. George Walker, the former P.F.A.A. supervisor for Swift Current, was discharged from the government service? Either this statement is false or the minister does not practise what he preaches.

*Inquiries of the Ministry*

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, the last half of the question is obviously one for the order paper.

**Some hon. Members:** Oh, oh.

**Mr. Chevrier:** In so far as the first half is concerned, I think I will have to draw it to the attention of the Minister of Agriculture.

REQUEST FOR OPEN MARKET FOR GRAIN AS BETWEEN EAST AND WEST

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I had a question for the Minister of Agriculture but he is a busy man, so I will direct it to the Minister of Trade and Commerce. I think he can answer it. Is it the intention of the government to have a more open grain market between the western and eastern provinces such as exists between the United States and our eastern provinces now?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, the hon. member gave me notice of this question, but it has not helped me very much to answer it. I am afraid I do not understand the purport of the question, because I find it difficult to make a comparison between the situation that exists as between the United States and the eastern provinces and the situation that exists as between the western provinces and eastern provinces of Canada. I hope the hon. gentleman will rephrase his question and put it on the order paper.

**Mr. Langlois:** It is very short. One can order wheat or corn from the United States for delivery directly to the eastern provinces, and you cannot do so in Canada from the western provinces.

[*Later:*]

**Mr. Langlois:** I should like to address my question to the Minister of Trade and Commerce or to the acting Prime Minister. What has been done in response to representations made a few weeks ago by the farmers' union of Quebec concerning eastern and western grain sales?

**Mr. Sharp:** Perhaps I might be permitted to answer that question. This whole question of the movement of grain from western to eastern Canada has been engaging the attention of the government, and there have been representations from many sources. I can assure the hon. member that we are not lacking in representations. We are looking into this matter and following it continuously.

[Mr. McIntosh.]

## REDISTRIBUTION

INQUIRY AS TO CHAIRMAN OF PROPOSED COMMISSION

On the orders of the day:

**Hon. Paul Martineau (Pontiac-Temiscamingue):** I should like to direct a question to the Secretary of State. Has the chief electoral officer, Mr. Castonguay, been approached by the minister or other persons in authority to become chairman of the proposed new commission for redefining the electoral boundaries?

**Hon. J. W. Pickersgill (Secretary of State):** There is no such office proposed and therefore it would not be possible to suggest to Mr. Castonguay that he be considered for the office described by the hon. gentleman. However, I do not want to quibble. There is a resolution on the order paper having to do with a representation commissioner and I intend, as soon as we reach orders of the day, to discuss this at length. I shall be glad at that time to answer what I think is the hon. gentleman's question.

## GRAIN

INQUIRY AS TO INTERIM AND FINAL PAYMENTS

On the orders of the day:

**Mr. E. Nasserden (Rosthern):** Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can he indicate whether there is going to be an early interim payment some time in the new year, or an early final payment on last year's wheat crop, to take care of the lack of capital of farmers on the prairies?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, in reply to a similar question the other day I said I had already had a preliminary discussion with the wheat board, and they intend to follow the same procedure as in other years. I am sorry I cannot give a date at the present time.

## POWER

HAMILTON FALLS—FINANCIAL ASSISTANCE BY ATLANTIC DEVELOPMENT BOARD

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** Mr. Speaker, may I direct a question to the Secretary of State. Could the minister advise us whether the Atlantic development board is going to assist in financing the Hamilton Falls development, as was indicated by Premier Smallwood of Newfoundland over station CJON last Sunday morning?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I did not hear the broadcast, and I would be exceedingly surprised if the hon. gentleman is accurately informed about it. I assume he did not hear it himself. I know of no basis for the statement that the Atlantic development board is considering helping in the financing of the Hamilton Falls development. I would be very surprised indeed if that had been considered.

## SUGAR

PROTECTION OF CANADIAN PRODUCERS IN LONG TERM AGREEMENTS

On the orders of the day:

**Mr. W. H. A. Thomas (Middlesex West):** Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. In view of the minister's statements concerning negotiations now going on for future supplies of raw sugar, and in view of his statement that our domestic sugar beet producers will be protected, would he be willing to arrange for representatives of the Canadian sugar beet growers' association to be present at and take part in these negotiations?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, I thank the hon. gentleman for giving me notice of this question. I can assure him at once that I have already had discussions of a very informal character with representatives of the sugar beet producers, but perhaps I might add that officials of my department have received suggestions from various overseas producers, some of them suggesting exploratory discussions, and it is expected that meetings will be held within a few days in Canada. When the nature of the offers from these producers is better understood, and if these offers merit serious consideration, an opportunity will be made for consultations with representatives of the sugar beet producers.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** As a supplementary question, will entering into any such arrangements for the bulk purchase of sugar, with any of the countries which have indicated some interest in this, require legislation, or has the government sufficient authority to proceed with the matter at the present time?

**Mr. Sharp:** Well, Mr. Speaker, I have not examined this question because I am not certain as yet about the nature of the offers or suggestions that may be made. Hon. members will understand there is a wide variety of possibilities, some of which doubtless would require legislation and some of which might not.

*Inquiries of the Ministry*

EFFECT OF PRICE INCREASES ON BAKERY INDUSTRY

On the orders of the day:

**Mr. K. H. More (Regina City):** I should like to address a question to the Minister of Trade and Commerce and ask him whether he has received representations from the bakery industry or from a consumer group with regard to the impact of the price of sugar upon the final product, specifically bread.

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** I have not had representations from that particular group, but I have from other groups.

**Mr. More:** I should like to address a supplementary question to the Minister of Trade and Commerce. Can he confirm the suggestion I have heard that the annual cost to the bakery industry due to the increase in the price of sugar is $13 million, and that the net profit of this industry last year was only $4 million?

**Mr. Sharp:** I had not heard this, but I thank the hon. gentleman for informing me.

## TRANSPORT

RAILWAY BRANCH LINES—DISCUSSIONS WITH WESTERN PREMIERS

On the orders of the day:

**Mr. Reynold Rapp (Humboldt-Melfort-Tisdale):** Mr. Speaker, I have a question for the Minister of Transport. Will the minister consider meeting with the premiers of the three prairie provinces to discuss the very important question of railroad abandonment, since these gentlemen are presently in Ottawa?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I have already discussed this problem with the premiers of each of the provinces, but I would be very glad to discuss it with them again if they so wish.

**Mr. R. R. Southam (Moose Mountain):** As a supplementary question, since a meeting was held last Friday in Regina between officials of the minister's department and officials and members of the Saskatchewan government, would the minister care to give the house a report on that meeting with regard to railway abandonment?

**Mr. McIlraith:** Mr. Speaker, I do not know if it is proper for me to give a report on that meeting. It was called by the Saskatchewan provincial authorities and officials of my department were sent there only as observers, but I will look into it and see if a report can be given.

*Inquiries of the Ministry*

## HEALTH AND WELFARE

REQUEST FOR REPORT ON CONFERENCE ON SMOKING AND CANCER

On the orders of the day:

**Mr. Barry Mather (New Westminster):** Mr. Speaker, I have a question for the Minister of National Health and Welfare. Would the minister give us a report on the discussions and dealings at her successful national conference on the relationship between smoking and disease?

**Hon. Judy V. LaMarsh (Minister of National Health and Welfare):** Mr. Speaker, I would like to thank the hon. member for having given me notice that he would ask such a question. In the gallery at the moment there are some representatives of the industry and individuals who were present at the conference, which lasted for a day and a half. The conference was also attended by representatives of the departments of health of each of the 10 provinces and in some cases representatives of the departments of education and of youth, as well as the voluntary health agencies, the cancer society, heart foundation, public health institute and representatives of the growers from the provinces of Ontario and Quebec.

As a result of a very co-operative day and a half the provincial representatives agreed unanimously on the fact that smoking is harmful, and agreed to undertake co-operatively a program of education and research directed toward young people in the country and their commencing the habit. The federal government then announced it was prepared to put up $400,000 for a program of education which would be addressed to adults, which education would take the form of a positive program and not a program based on fear. In addition the federal government announced that it is prepared to expend the sum of $200,000 to add to funds already available for research on lung cancer and motivational research into the smoking habit—why it is picked up and why it persists so strongly.

May I say that notwithstanding the obvious conflict of personal interest the conference proceeded in a spirit of great co-operation, in a spirit of moderation, and with a real concern for something which, it agrees, has become a national health problem in Canada.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** I should like to ask the minister if this allocation of $600,000 is reflected in the estimates now before us or in supplementary estimates, or whether it will be included in a later supplementary estimate.

**Miss LaMarsh:** I omitted to say that there would be a technical committee set up at once to deal with the specifics of the program. As the hon. member knows, the estimates which are now before the house are not estimates which were prepared during the time the present government has been in office. It is expected this sum will be included in the next estimates.

**An hon. Member:** For 1964-65.

**Mr. P. B. Rynard (Simcoe East):** I wonder if this information will be available to the press and to members here as well as to members of the other place, so that we may know what went on at this conference.

**Miss LaMarsh:** Apart from the briefs prepared by my department, briefs were prepared by each of the agencies involved. Though they were invited to bring sufficient copies for distribution to the press and to interested people, they did not bring copies in any great numbers. Representatives of the press were invited to a press conference last evening, and they were given copies of all the briefs where additional copies were available; and of course delegates were free to discuss with members of the press what had been going on. I have made myself available to the press to answer any questions which might be raised. As to the specific programs, these will be announced after the working groups have met and determined on them.

**Mr. Rynard:** I wonder if I may ask when this material will be available to members of the house. Is there a printed record of the meetings, with recommendations and so forth?

**Miss LaMarsh:** No, there is not. Reading of the briefs took up much of the time. On behalf of the department some notes were made of the discussion, but there will be no printed record. As I indicated previously, it was the intention to hold these meetings in camera so that discussion might not be inhibited by the possibility of material being extracted from the proceedings as they went along which might not be supported by later submissions.

**Mr. Joseph Slogan (Springfield):** I wonder if the minister can indicate whether there was any discussion at this conference with regard to the restriction of cigarette advertising in Canada. Could she tell us what attitude the conference took toward the extensive advertising of cigarettes in this country?

**Miss LaMarsh:** Mr. Speaker, there was a discussion with regard to advertising. It was pointed out that the cigarette industry had itself voluntarily restricted its television advertising to the period after nine o'clock in the evening. We discussed various aspects of

advertising but this, together with all such specific matters, was finally referred to the working group. This group is to be made up of specialists drawn from the provinces working closely with the voluntary groups and the representatives of the industry.

## DOMINION-PROVINCIAL CONFERENCE

REQUEST THAT COPIES OF STATEMENTS BE MADE AVAILABLE

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** In view of the interest in the federal-provincial conference which is taking place, I wonder whether the Acting Prime Minister could tell us if copies of the various provincial statements and of any formal statements which are made by the federal government could be made available to members at an early date.

**Hon. Lionel Chevrier (Acting Prime Minister):** My understanding is that all these statements are public and that they are available, but I will inquire at once to see if they can be given to members in their boxes in the usual way.

## RAILWAY ACT

AMENDMENT EXTENDING PAYMENTS FROM GRADE CROSSING FUND

**Hon. G. J. McIlraith (Minister of Transport)** moved the third reading of Bill No. C-110, to amend the Railway Act.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I rise to say I am glad to see that the point I raised yesterday has been met. I refer to the fact that in the previous copy of the bill there was a difference in wording between the marginal note and the text of the bill. That has now been corrected and the same terminology is used in the text and in the marginal note; this has been done both in English and in French.

Thus the matter has been taken care of.

Motion agreed to and bill read the third time and passed.

## REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

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

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure 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; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the Chief Electoral Officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure; and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide for the establishment of electoral boundaries commissions, including expenses of administration thereunder.



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

**Mr. Diefenbaker:** Mr. Chairman, before the hon. gentleman goes ahead with his presentation, I am wondering whether he would be prepared, in view of the fact that this is part and parcel of a general electoral change, to agree that the whole field be covered at one time in general discussion, rather than going over the same ground later or restricting the discussion in committee to the terminology of this particular resolution.

**Mr. Pickersgill:** Mr. Chairman, the right hon. gentleman has anticipated a suggestion I was going to make to the house, which I think is a very helpful one and I appreciate his suggestion very much. I assume he is speaking for his friends, and I hope I am speaking for mine, and I appeal to hon. gentlemen in the corner to agree that we regard the debate on this resolution as a general debate on the problem of redistribution and the proposals which are being laid before the house for a method of dealing with this problem. In that context perhaps—

**Mr. Knowles:** Mr. Chairman, may I say that we agree but we wonder, in view of the fact that such agreement could have been anticipated, why the minister did not proceed with first reading of the other bill today.

**Mr. Pickersgill:** I was just going to explain that too.

**Mr. Diefenbaker:** Is it because there was not a resolution?

**Mr. Pickersgill:** No, Mr. Chairman, it is because the resolution which is now before the committee envisages all the payments that would require to be made, and all the financing, for both measures. Perhaps I should explain right away why that is. The bill that I did not introduce today was not introduced

for the very good, technical reason which the right hon. gentleman has indicated, in order to conform with the rules of the house. The bill as it is now drafted envisages a procedure not for one redistribution but, if it meets the wishes of both houses, is something that would become a fundamental statute; it would provide the means of carrying on redistribution for the future.

It seemed to me that it would be desirable not to include in that measure, which has a general application for the future, a lot of mechanical and financial provisions relating to the specific redistribution measure that is now before us. That is the only reason for there being two bills. It would have been quite possible to put everything into one bill, but it seemed to me that looking to the future, if we could in our wisdom in this chamber and in the other place provide at the present time a means of dealing with this problem whenever it arises after each decennial census, so there would not have to be basic legislation brought before parliament every ten years, we would be doing a service to future parliaments. I am sure the right hon. Leader of the Opposition, the hon. member for Winnipeg South Centre and the hon. member for Digby-Annapolis-Kings, who have very recently served in the government of Canada, are just as conscious as anyone who is on the treasury benches today of the immense demands that are made for parliamentary time. If we can do something, and do it well, that will save parliamentary time in the future, it seems to me it would be a sensible thing to do.

**Mr. Diefenbaker:** Without abridging the full rights of parliament.

**Mr. Pickersgill:** Precisely. The right hon. gentleman is more than right about that; without abridging the full rights of parliament. I think—and here again I have been assisted by the right hon. gentleman—that before I go on to talk about any of the details of this measure it would be proper for me to indicate the kind of attitude with which the government is approaching this problem and with which I, as the spokesman for the government in this particular matter, am endeavouring to approach it.

The measure now before us and the other bill, of which notice has been given on the order paper, represent a serious endeavour by this government, after a full study of the matter, to eliminate abuses of the past, to make the House of Commons truly representative and at the same time give this commission certain ground rules and directions from parliament as to the principles it should accept. It is an endeavour at the same time to grant flexibility in the interests of fairness in order to ensure that the considerations that have always been in the minds of governments since 1867 shall be maintained.

It must also be pointed out to the commission that rural ridings must necessarily, in the experience of the past, have less population in general than urban ridings, and that there are other considerations, such as geographical lines, rivers, county lines and the like which must be taken into account. But all these considerations shall be based on the assurance that an independent commission will bring about a redistribution that is fair, just and reasonable; one that will be determined not on the basis of the frailties of human nature, which all of us have, but on a basic principle that the political advantage of the government or a majority in the house shall not be one of the considerations to be taken into account or given any attention.

**Some hon. Members:** Hear, hear.

**Mr. Pickersgill:** In other words we want to follow the lead that has been given by almost every nation, certainly by commonwealth nations and the mother of parliaments, that membership in parliament shall be determined fairly by the people.

Hon. members may suspect and indeed some hon. members may know, because I have read this statement, that it is not my own. These were the words used by the right hon. gentleman opposite in April of last year when he introduced a similar resolution, and with his permission—I did not ask it in advance but I hope I have it now—I am making them my own, because the spirit in which the right hon. gentleman was approaching that matter at that time is the spirit in which this government is seeking to approach it at this time.

It is true that the word "commission" occurs on several occasions and that when the other bill, of which notice is given, is seen by the house and the public it will be seen that it should be in the plural instead of the singular. But with that exception I do not think there is a single word in this statement with which I would quarrel. I do not think there are—I hope there are not—many words in that statement with which any hon. member of this house would quarrel, because it does seem to me it is the objective that all of us have in mind. It is the objective to which all political parties in this house, I am happy to be able to say, seem to me to be committed. Moreover, the business, the task, the burden, if I may put it that way, of redistribution is a constitutional obligation which is imposed upon parliament, and particularly, of course, upon this chamber. I say that because, unless I am greatly mistaken—and I must confess

I have not done any detailed research—the other place has never altered what has been done in this place in the past. Therefore, because it has to do with the composition of this house, and because it is imposed upon all of us by the constitution, the question of redistribution is peculiarly the duty—and not one that any of us regards with much relish, I think—of all of us in this house.

I may say at once that the government has no intention of trying to impose its will, and has no desire to do so; I want to emphasize that. As I said earlier we are committed to the principle of an independent, impartial redistribution to be performed outside this house. But as I indicated in answer to a question from the hon. member for Winnipeg North Centre the other day, we in the government do not feel that we are committed to any detail on either of these measures. We do not intend to regard the bills as government measures except technically. Because technically they are government measures; they are taken up in government time and are introduced by a minister of the crown. However, we feel that the collective wisdom of this house should be brought to bear on this problem and that any good suggestion from any quarter should be incorporated into these measures without any thought of partisan consideration. We will welcome improvements from any quarter of the house to either of the bills. It is true, of course, that for the financial provisions of the bill which would follow this particular resolution the government has naturally to take its proper responsibility and, of course, intends to do so; but for every other aspect of these measures if there is a better way that anyone can suggest of doing these things than that suggested in the bills, and if it commends itself to the majority of the house, I can assure hon. members in all parts of the house that there will be no quarrel from this side.

I should like to say a word or two about the history of the proposals I am now seeking to outline. We in the government regarded the problem of redistribution, I think rightly, as one of the most urgent problems facing us when we took office. I discussed this matter with the chief electoral officer the day I became a minister. The following day the cabinet authorized the chief electoral officer to enlist the co-operation of the bureau of statistics and of the surveyor general's branch of the Department of Mines and Technical Surveys with a view to making every kind of technical preparation which could properly be advanced. At that time the census information was available, and this would have made available the technical material required for redistribution as soon as parliament could act and determine upon how it should be accomplished.

The chief electoral officer suggested to me that it would be helpful if he visited Australia and New Zealand, where they have a very long experience of impartial redistribution, and where in Australia the situation is very similar to our own. That suggestion received my approval, and I think his visit has been one of the most useful things which could possibly have been done. The chief electoral officer had studied the system in those countries and in Great Britain and elsewhere, but actually seeing those countries and talking to the people who carried out these functions I think gave him a much better appreciation both of the difficulties and of the methods that need to be applied in this very complicated kind of problem.

I should perhaps add that the chief electoral officer told me something at the beginning of our discussion which horrified me. He told me that his estimate was that it would take a commission so long to consider the question that it would not be possible to have an election under redistribution before the autumn of 1968. I see the hon. member for Digby-Annapolis-Kings smiles; I suppose I am not the only person who has received such advice. I must say that I said I should not like to have to make a proposal to parliament with that kind of timetable attached to it, and I remarked that there must surely be some other way of doing this more rapidly. But the more I went into it the more complex and difficult it appeared; and to be quite frank with you, sir, the more impossible it seemed to me to expect one single commission composed of eminent persons who would have to be selected for this purpose, but who would probably feel they could not give their full time to it, to accomplish it in any reasonable time.

Therefore I made the suggestion to the chief electoral officer that we have four commissions, one for Quebec, one for Ontario, one for the four Atlantic provinces and one for the four western provinces. We gave quite a lot of thought to this possibility. Then when the chief electoral officer came back from Australia he advised me that in Australia they had a separate commission for each of the states, that to have a commission straddling two or more states would mean that one would not save very much expense but that one would lose a good deal of time, and that one would not have within the commission the same intimate knowledge of local conditions which one would have within a commission from a single state. I must say that this argument seemed to me to be very compelling, besides which it seemed to me

that it would still further reduce the time likely to be taken in carrying out the redistribution. It also seemed to have another advantage to me; it meant that if we had commissions composed of three persons in each province we would have three people with knowledge of local conditions. These three people would be as independent and as impartial as we could find. They would collectively have three kinds of experience, and three outlooks would be brought to bear on this problem. I thought that would be much better than having only one person from each specific province in the case of the smaller or less populous provinces, and therefore it was decided that in the proposals which would be laid before the house provision would be made for a commission for each of the provinces.

There is at once the problem which will have occurred, I think, to every hon. member—that of making sure that all the commissions would proceed on a relatively uniform basis. It was then that the suggestion was made, one which I believe I made myself, that an office should be created by parliament and an officer of parliament appointed by parliament who would be ex officio a member of each of the 10 commissions and who would have the task of co-ordinating their activities.

Here I come to the point where I feel I should answer the question put to me earlier by the hon. member for Pontiac-Temiscamingue. The question of how this office should be constituted did not seem to present many difficulties. It was quite obvious it would have to be created by parliament and, like the chief electoral officer, the appointment of the commissioner would have to be made by a resolution of parliament.

**Mr. Balcer:** I am sorry to interrupt the minister, but earlier he raised the point that the chief electoral officer had advised him that if he were to follow a certain system he might not be able to achieve redistribution before 1968. Before the minister proceeds to another subject, I wonder whether he could tell us now what would be the time envisaged by him if this resolution should be approved?

**Mr. Pickersgill:** I am going to deal with that point. I am very easily confused, as the house knows, and in order to save me that embarrassment I wonder whether hon. gentlemen would let me do it in my own order and in my own time.

**Mr. Diefenbaker:** You do not want help in that direction.

**Mr. Pickersgill:** The right hon. gentleman is quite right. I do a sufficiently good job of it myself that I need no help. However, I try not to confuse others. I was saying that it seemed to me whoever would be appointed to the office of representation commissioner should, of course, be appointed in the same way that the chief electoral officer is appointed, by a resolution of the house. It is true, of course, that I have envisaged in my own mind, and I think it is true that my colleagues have the impression, that there is one person who would be better able to fill this office than anybody else we know anything about in Canada, and I do not want to hide for one minute from the house that that person is the present chief electoral officer. I did not conceive that I had any right to offer to that gentleman a position which had not yet been created by parliament, but in my own mind I feel he is a man who, if he would accept the office, would be better qualified to fill it than anyone else I happen to know anything about.

**Mr. Martineau:** I wonder whether the minister would satisfy the curiosity of the committee and say whether or not he or some other person in authority has approached the chief electoral officer to find out if he would consider accepting this office, if and when it is created by parliament.

**Mr. Pickersgill:** I think I should be quite frank and say yes, I have reason to believe that the chief electoral officer would accept if he felt that he would be acceptable to all quarters of the house. But, knowing him as we all do, we know he would not wish to accept unless he knew that the appointment would be agreeable to all quarters of the house.

I do not mind saying at once why I feel he would be acceptable. We have had four elections since 1957 in a period of a little over six years. Although some of those elections were quite bitterly fought and many hard things were said, I have not heard in any quarter of the house, no matter who was in office or who was in opposition, any suggestion that they were not conducted with the utmost propriety. I think that all of us as Canadians can be proud of that. I do not want to seem unduly sentimental about this, but as we look about the world today and see with what difficulty other countries change their governments and how impossible it is in so many countries to change them at all without bloodshed and strife, I think that we can be exceedingly proud of what has gone on in this country in these last years. The way in which we have operated the system itself is in my view further evidence of the proposition some of us accept, that our system of parliamentary government is unsurpassed anywhere in the world.

**Mr. Knowles:** Would the Secretary of State permit a question? If I am anticipating what

he is coming to, he can tell me. He has referred to the fact that each of these 10 commissions would consist of the representation commissioner and three others. Does the government have in mind that a pattern such as we now have in Manitoba, and which has worked out very well, might be the pattern to be followed? As the Secretary of State knows, in that province we have an independent commission consisting of the chief electoral officer of the province, the chief justice, and the president of the university.

**Mr. Pickersgill:** I think the hon. gentleman is trying to make my speech for me before I make it myself. While I represent a province other than Manitoba, I have spent over half of my life in Manitoba, I share his pride in the way things are done there and I will have something more to say about that in a moment. Because I have just reached it I should like to deal first with the point raised by the hon. member for Three Rivers, about the timetable envisaged on the assumption that this legislation would be acceptable before the end of this calendar year to the house, not necessarily in precisely the form in which it is presented but in a form that may and I feel sure will be somewhat amended by our collective wisdom.

If that were possible, and if it were possible, as I think it should be, to get the commissions set up by about the 1st of February, it would appear to me that under the procedures envisaged in this legislation the reports would be available early in 1965, that the necessary period for the kind of parliamentary approval envisaged in the legislation would be another two or three months and that, if we wanted, for other reasons, to have a general election, it would be possible to have it on the basis of redistribution in the autumn of 1965. But it does not appear to me that it would be practical at all to consider that any election held earlier than that could be held on the basis of any distribution of constituencies except the present one. Of course, this timetable would correspondingly have to be extended if for any reason the legislation did not prove acceptable and if we did not get it completed before the end of 1963. If we got the legislation enacted say by April or early May of 1964 I would not then envisage the possibility of its coming into operation so that an election could be held under it earlier than the spring of 1966.

I think this view is realistic. If we are going to do what I take it all of us are pledged to do, if we are going to have redistribution done by an impartial body, I do not think it is possible in any shorter period. I might add that I believe, that once the pattern has been set, a second redistribution would not take nearly so long.

Once the pattern has been set the adjustment of boundaries in a future redistribution will be more a matter of taking account of the changes in population in a single decade which, although they can be quite explosive sometimes as we know, are not likely to be anything like as great as those which we will have to take into account this time, when this commission will be seeking to deal with situations that have persisted, in some cases, for the best part of a century. The first redistribution, therefore, under the new scheme, if and when it takes place, is going to be a much more difficult operation, I feel sure, than any subsequent redistribution will be.

Now, I come to Manitoba. I went to Winnipeg for a couple of days just before parliament resumed this session in September. Unfortunately, one of the three commissioners who performed the redistribution in Manitoba, the only complete redistribution by an impartial body that has been done in Canada as yet, is dead. I refer to the late Chief Justice Adamson. I had a most interesting conversation with the other two commissioners, the president of the university, Dr. Saunderson, the chief electoral officer, Mr. Prud'homme, lasting for almost two hours. I was impressed particularly by one thing. As they related their experience to me, I noted that the methods they followed, the procedures they used, were almost precisely the same, having in mind the great difference of circumstances, as those which the chief electoral officer described to me as having been followed in Australia. It did seem that almost any independent and impartial commission going about this task would have very little choice but to follow these methods. I was rather reassured to have this notion confirmed. From what I could learn, all parties in Manitoba regarded that as a most successful experience in that province.

Moreover, I should like to hope that this would be the kind of commission, if this legislation is adopted, that would be established in each of the provinces. It seems to me these are the kind of people one would naturally look to. Of course, this is a problem with which we will deal when we get farther along. In this opening statement today, I am merely trying to deal with the general principles.

**The Deputy Chairman:** Order; I must advise the hon. gentleman that his time has expired.

**Some hon. Members:** Go ahead.

**Mr. Pickersgill:** I am grateful to the committee because I think it would be preferable

for me to complete my statement at this time. I shall attempt not to trespass unduly on the time of the committee.

**Mr. Knowles:** It is a very important subject.

**Mr. Pickersgill:** It is very important, there is no doubt about that. It is the very foundation of our system of government and nothing we could be considering could be more important.

Now, in general, what is suggested in this measure is representation by population. There are departures, of course, from the strict principle of representation by population. There is no thought of interfering with the representation by separate members of the two territories. I mention two territories, but we may possibly have three territories, and in that case I think we would still envisage what is now called the Northwest Territories being represented by one member. There is no thought of changing the senatorial floor provided in the constitution which, at the present time, protects the representation of the provinces of New Brunswick and Prince Edward Island. One of the most agonizing problems in the whole of redistribution, of which we are all aware, is the problem of Manitoba and Saskatchewan.

As all hon. members know the population of Manitoba in recent years has grown much more rapidly than the population of Saskatchewan. At the time of the 1961 census, if my memory serves me correctly, Saskatchewan had only about 5,000 more people than Manitoba. I believe an estimate made in June of this year indicated that Manitoba had about 20,000 more people than Saskatchewan. Practically speaking, one has to say that the two provinces have equal populations. I do not think there are any other circumstances connected with the two provinces which would justify any of us in feeling that when they are equal in population they should have equal representation. It seems to me that that is a valid proposition. I know this is not going to be a very easy thing to accept in Saskatchewan.

I had some little experience, before I was a member of the house, with the problem that faced Saskatchewan when the hon. member for Burnaby-Coquitlam was the premier. After the war, there was the hope and expectation that the growth of Saskatchewan, which had been somewhat arrested by the war, would resume on a very rapid scale. Certain special measures were taken, which I have never regretted and which I always thought were justified, to ameliorate that situation in the post-war redistributions. We are faced now with the fact that Manitoba and Saskatchewan are equal in population and I think all of us feel only one conclusion could reasonably be drawn from that fact.

We are also aware of the fact that Alberta and British Columbia are, at the moment, quite substantially under-represented in this house. These provinces are a long way from Ottawa and there is certainly no argument for their being under-represented, if that can be corrected. We are also aware of the fact that ever since confederation, in nearly every part of Canada, the rural population has been represented by more members than the urban population. I echo the words of the right hon. gentleman a year ago when he said he did not think that could be entirely departed from. I noted with some interest, as I am sure other hon. members did, a speech made not long ago by a distinguished former member in this house who is now the lieutenant governor of Ontario on this particular point. I feel confident that any commission, taking account of our history, taking account of our background, would feel that in the tolerances they would have to allow—

**Mr. Diefenbaker:** What did the lieutenant governor say?

**Mr. Pickersgill:** Perhaps on a later occasion I could get that. I would not like to paraphrase it, but the gist of it was that the disparity in representation was not likely to continue on the scale on which it now exists. This was the point. I would rather use his own words, and perhaps it was a mistake to even mention the statement without having it under my hand.

**Mr. Winkler:** There were some very good members in that group.

**Mr. Pickersgill:** Of course I do not conceal from the older hon. members—it would be useless if I tried—that I was brought up on a homestead in the bush in northern Manitoba and I may have a slight rural bias myself. It is also well known there is no town of more than 4,000 people in my riding, and possibly that might create a slight bias in my mind—I hope not too great a bias—but I know too that some very distinguished members have been elected to this house from some of the great Canadian cities, notably the city of Winnipeg, and I would not like to see that municipality unduly under-represented in the house. We all know the great burden borne by the hon. member for Edmonton West in representing that huge and growing constituency.

Neither do I conceal from the house that probably all of us in our hearts would secretly like to leave the whole thing alone if we could, and if it were not our duty to do something about it. All of us probably tend to have a somewhat proprietary interest

in our constituencies. Sometimes we may even think we have almost a proprietary right to them, and after we get comfortably situated in a constituency, especially if we keep on getting elected, all of us feel that having new areas added to which we will have to go around and spread our charm, would constitute a strain we would rather avoid. However, the constitutional obligation is here, and I think all of us should remember that, whether they live in our own constituencies or not, no one can vote in this country who is not a Canadian elector.

It is our duty to treat all the people of this country equally, so far as we can, and if we really mean what we profess about self-government, then roughly each of them should have an equal voice in this house, which has the responsibility for overseeing the government of our country.

The House of Commons is supposed to be a mirror of the population. At present we all know it is a somewhat distorted mirror, and when I say that I am not reflecting on any hon. member. Under the constitution we all have a duty to replace the distorted mirror by a mirror which will better and more fairly reflect the whole population. That is what a redistribution is for; that is what it means; that is what this task is. It is, as I said earlier, a task which imposes a collective responsibility on all of us and in which each of us has an equal share. I do not think the right hon. gentleman or I have any more responsibility than any other hon. member for this task, except that we have certain positions the house has given us. I may say that the government hopes for and invites a co-operative effort in this difficult task.

Since this parliament came into being last May we have heard quite a lot about what is called the image of parliament. I think a lot of what we have heard and read about it is a rather distorted mirror too; but then I am probably biased, and probably some of the rest of the hon. members are, too. I think when we look back at the end of this year at what this parliament will have achieved, we will have no particular reason to apologize to anyone.

I have never apologized to anyone and never intend to, for being partisan in this parliament, because party is the essence of parliamentary government. It is what saves us from having dictatorship. If we do not believe in our parties and what they stand for, and if we do not uphold them, then we are not doing our job. That is why we can have peaceful change under the parliamentary system, instead of having to shoot the head of a government when we do not like him. Happily we do not have to do that. We have another method. Perhaps it is not altogether unpainful. It may leave a few scars, but it also leaves an opportunity for recovery. It gives the people a chance to make up their minds, to change their minds, to change them again, and even perchance to change them still again.

Neither do I think that parliament should always be a model of decorum. If we are going to feel seriously about these things, then there are going to be times when we are going to behave in a way that perhaps some of us would like to undo when we think about it later in the day, or early next morning; but by then it is too late. We are human beings; we are engaged in an activity in which sometimes we are seeking to reconcile differences, and at other times seeking to make those differences as great as possible because we believe good will come from making them as great as possible. That is part of the normal activity of parliament, and I think there has been a lot of talk by people who perhaps have not appreciated that, even in the great parliaments, all was not a model of decorum.

Sir, I will be breaking the rules when I say this, but perhaps you will let me. I was very much impressed the other day when the right hon. gentleman said, in the debate when we were setting up the committee on procedure, that all was not peaceful in this chamber in the days of Borden and Laurier, in the days of Tupper and in the days of Macdonald, and that perhaps on balance there are better manners and better behaviour in parliament today than there were in a great part of the nineteenth century.

**Mr. Nicholson:** We were not here.

**Mr. Pickersgill:** As my hon. friend reminds me, we were not in this house then. Fortunately there are a lot of books appearing at present in which we can read about those days. That is a good thing. In saying that, I hasten to add it is not an advertisement for my own book.

But here, sir, we have a different kind of task. We have a task that the government is trying to approach, and which I believe the right hon. gentleman and the government he headed were trying to approach a year ago, in an entirely different spirit. Here is a task about which there need not and should not be any partisan differences.

I do not think any hon. member in his heart, no matter what party he belongs to, thinks we should try to win elections by rigging the machinery. I think we should try to win elections by putting our causes before the people and making sure the people have a fair chance to register their opinions fairly and honestly. That, sir, is the spirit in which we are approaching this matter.

I would like to close what I have to say now by repeating once more the words of the right hon. gentleman a year ago, on April 9, 1962 when he said:

> We want to follow the lead which has been taken by almost every nation—certainly by the commonwealth nations as well as by the mother of parliaments—that membership in parliament shall be determined fairly by the people.

**Mr. Diefenbaker:** Orpheus had the reputation of being able to bring the birds out of the trees by the suave manner in which he spread his charm.

**Mr. Knowles:** Orpheus was a piker.

**Mr. Diefenbaker:** I am still on a high mythological level and the word "piker" was not then good usage. But had it been, it would have been most appropriate. I have been in this house a long while, but I have never heard the hon. gentleman, to use his own expression, and to repeat it once more, spreading the charm as he has done today. I know he will not misinterpret what I have in mind if I say that in direct proportion he arouses in me fears as to what may be contained in this legislation. I know I shall not be misunderstood, and I am in no way contravening the rules by ascribing motives—because I am not doing that—when I say that to the extent he has carried himself into the elevated airs of high non-partisanship the committee will look with even greater care at the provisions of the bills which he is to bring before us. Can I say that without imputing motives?

I am very much in agreement with what the hon. gentleman had to say regarding the image of parliament. I think what he said represents the wide knowledge he has, not only of the history of our country and its constitutional development, but also the practical knowledge which came to him when he was in the position of adviser to one or more prime ministers. Apparently in those days the views he holds today were not expressed as strongly as they might have been. Certainly the redistribution measures which were introduced while he was in the august position of being more or less a director of prime ministers did not bring about the idealistic bills which, he has now stated, will be laid before parliament.

I am in agreement with him, too, on the question of each of us standing for parliament and the principles for which parliament stands. When I read what has been written by those who elevate themselves to a position of punditry, that parliament is today an institution unworthy of its traditions, the Secretary of State and I are at one in our attitude in that regard. I have seen the parliament of the United Kingdom in action.



I recall on one occasion in 1957 going over to London after the conference of NATO powers in Paris in December. Prime Minister Macmillan was reporting on the conference that afternoon. I was in the gallery and making due allowance for the difficulties I may have had in hearing, I do not think the members of the house heard much more than I did by reason of the interruptions and the din in that chamber. I recall very well one occasion in this house back in nineteen—I shall not fix the year because that would identify the Speaker—when it became somewhat noisy and the Speaker said. "Let me make this clear: as long as I am Speaker of this house there is going to be a minimum of decorum."

All of us realize, as the hon. gentleman has said, that in the crucible of discussion there will be fire, and things will be said which in the retrospective hours might very well not have been said. I, naturally, feel gratified that the hon. gentleman should have seen fit to quote at some length the remarks I made. I was glad to see that before he identified me as the speaker there was applause on the Liberal side of the house. That paragraph aroused their support.

**Mr. Pickersgill:** I wonder if the right hon. gentleman will permit me to say that before I identified the speaker there was also applause on his side of the house?

**Mr. Diefenbaker:** There is no doubt about that, because they have always been appreciative of the good things of life and the best of parliament. But today there was that unanimity which does not always exist, when the hon. gentleman quoted from the observations I have made.

Speaking more seriously, I think our purpose and our aim must be to do our part to elevate representative government, to bring about the assurance that election shall be determined by the people, not by the manipulation of the ballot box or of constituencies. I think, also, that we shall have to give serious consideration to a problem which is becoming more and more difficult; with the mounting costs of election campaigns the state will have to step in and determine limitations upon the expenditures to be made by each and every one of us in our constituencies. All these things take time, but I feel there is unanimity in this regard. When I look back to the early days when I was a candidate—and an unsuccessful candidate—many thoughts occur to me. Indeed, I was just reading in the life of Mackenzie King, volume two, that when I was defeated in 1929 in Prince Albert, the then attorney general of Saskatchewan wrote to the right hon. member for Prince Albert, the then prime minister,

Mr. King: "We have heard the last of Diefenbaker". That was interesting, because that was 34 years ago and many things have happened in the intervening time, and many similar predictions have been made. However, that is aside from what I am endeavouring to present to the committee.

With the purposes in mind that the hon. gentleman has indicated, there can be no argument. Over and over again we in this party advocated an independent commission. I am not going to clutter up the record by going back over the years and referring to the numerous occasions on which we advanced the concept of an independent commission. However, for the members who were not here in those days I would point out that there are several ministers now sitting on the treasury benches who in the early 1950's voted against there being an independent commission. But public opinion develops, and as a result of public opinion there today is unanimity that action in this regard should be taken.

There was one other matter to which the minister alluded and about which I wish to say a few words. He referred to the length of time it would take for this planned commission to be operative. Apparently he had not brought that to the attention of the chief organizer of the Liberal party, because hon. members will recall that a few days ago that gentleman was predicting that an election was just around the corner. The Secretary of State, who has a close acquaintance with the operations of the Liberal mind in this regard, has stated that if this plan is brought into existence he cannot foresee a general election based on redistribution before 1968.

**Some hon. Members:** Nineteen hundred and sixty six.

**Mr. Pickersgill:** Mr. Chairman, I am sure the right hon. gentleman misheard me. That was the suggestion, if there was one commission for the whole of Canada. I said that in implementing the proposals that are now being put forward, the earliest date I could foresee was the autumn of 1965.

**Mr. Diefenbaker:** I beg the hon. gentleman's pardon—the autumn of 1965. Again I say that apparently there was not liaison between the one who determines the date and the one who provides the ammunition for the next election for the government and the Liberal party. I do not think it will take anything like that length of time. We were in a position where we could not proceed with redistribution until the completion of the census. I could argue that at the moment, but I am not going to, by referring specifically to the statute in that regard. We proceeded as early as we could in 1962 with a plan for the setting up of a commission independent of parliament in so far as political considerations are concerned. The following words appear in the January, 1962, speech from the throne:

> My government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis. To this end you will be asked to approve for the first time in our history a measure to create an independent commission to recommend the changes required in the electoral districts as a result of the decennial census.

There is, therefore, agreement in principle, agreement in objectives and acceptance of the principles that were enunciated by me in introducing an earlier resolution.

Now we come to a consideration of the terms of the commission. What kind of commission shall it be? We have taken the stand that a commission is difficult to set up unless it is in fact in large measure a judicial one. We have support for the stand taken in that regard on the part of Mr. Mackenzie King, who in 1933 suggested a commission of six judges from different provinces, three to be nominated by the government and three by the opposition. However, in addition to the judges—

**Mr. Pickersgill:** I beg the right hon. gentleman's pardon, but I did not catch the date of that reference.

**Mr. Diefenbaker:** It was 1933. That was during the discussion on redistribution. Those were the views of Mr. King, who was an experienced politician. In addition to that we felt that consideration should be given to adding to the commission the chief electoral officer and the surveyor general. We felt there should be one commission for all Canada, rather than a multiplicity of commissions for each and every one of the provinces. Indeed, the hon. gentleman himself said that he thought for a while what should be established was four commissions, representative of the four sectors of our country.

What were the terms that we advocated and which we still advocate? I very much appreciate the attitude taken by the minister in this regard when he pointed out that this is not going to be a partisan matter, that every consideration of partisanship is to be left outside this chamber in what we are about to do. He mentioned the chief electoral officer as a possibility for appointment to the position envisaged by this resolution. I personally have expressed, on more than one occasion, the view that Mr. Castonguay has discharged his responsibility in a way that is as unusual as it has been generally acceptable. There has been no suggestion at any time that in his many duties he has failed to preserve a complete and a towering neutrality.

**Some hon. Members:** Hear, hear.

*Private Bills*

**The Deputy Chairman:** Order. 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, pursuant to section 3 of standing order 15.

**The Acting Speaker (Mr. Batten):** Order. It being five o'clock p.m., the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills.

## PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-43, respecting The Manufacturers Life Insurance Company—Mr. Wahn.

THE CANADIAN EQUITY INSURANCE COMPANY

The house in committee on Bill No. S-42, respecting the Canadian Equity Insurance Company—Mr. Asselin (Notre Dame de Grace) —Mr. Batten in the chair.

On clause 1—*Change of name.*

[*Translation*]

**Mr. Marcoux:** Mr. Chairman, may I put a question to the hon. member for Notre Dame de Grace (Mr. Asselin)?

Is the company referred to under the name Guildhall Insurance Company of Canada now in existence and is The Canadian Equity Insurance Company merging with the Guildhall company, or is it a complete change of name?

**Mr. Asselin (Notre Dame de Grace):** Mr. Chairman, in the first place, in reply to the first question of the hon. member for Quebec-Montmorency, the Guildhall company is now in existence. The Canadian Equity Insurance Company is a subsidiary of that company. It is a group headed by the London Assurance Company, and the latter intends to withdraw the Guildhall Insurance Company and to do its business through the Canadian Equity Insurance Company.

That is why it is requested to change the name of the Canadian Equity Insurance Company to that of the Guildhall Insurance Company of Canada, the French version of which is "Guildhall, Compagnie d'Assurance du Canada".

Therefore, it is the Canadian Equity Insurance Company which will transact all the business of the Guildhall Insurance Company Limited—the English company—which will no longer operate in Canada.

**Mr. Caouette:** Mr. Chairman, could the hon. member tell us what is exactly the business transacted by this company called the Guildhall Insurance Company of Canada. Is it general insurance, fire insurance, automobile insurance or accident insurance? What is it?



**Mr. Asselin (Notre Dame de Grace):** With your kind permission, Mr. Chairman, I should like to read the information I have concerning the three companies concerned.

The Guildhall Insurance Company Limited, which has been in business since 1925, operates in the field of general insurance, fire insurance and casualty insurance.

**Mr. Caouette:** What company is that?

**Mr. Asselin (Notre Dame de Grace):** The Guildhall Insurance Company Limited.

**Mr. Caouette:** That company has been in operation since 1925?

**Mr. Asselin (Notre Dame de Grace):** Yes.

**Mr. Caouette:** When did the Canadian Equity Insurance Company start its operations?

**Mr. Asselin (Notre Dame de Grace):** It was incorporated by a special act of parliament in 1956. It sells fire insurance, accident insurance and casualty insurance.

**Mr. Caouette:** Then, it is in the same field as the Guildhall Insurance Company Limited?

**Mr. Asselin (Notre Dame de Grace):** Exactly. The Canadian Equity Insurance Company is controlled by both the Guildhall and the London Assurance—

**Mr. Caouette:** Is that the London Life Insurance?

**Mr. Asselin (Notre Dame de Grace):** No.

**Mr. Caouette:** London Assurance?

**Mr. Asselin (Notre Dame de Grace):** The London Assurance Company was incorporated by a royal charter in England.

**Mr. Caouette:** Now, after the passing of this bill, it is the Guildhall Insurance Company of Canada which will carry on all the operations, you might say, of the Canadian Equity Insurance Company.

**Mr. Asselin (Notre Dame de Grace):** Mr. Chairman, the business will be carried on by the Guildhall Insurance Company of Canada. The name Guildhall will be changed, as well as that of the Canadian Equity Insurance.

**Mr. Paul:** Mr. Chairman, do I understand that it is a case of amalgamating three companies?

**Mr. Asselin (Notre Dame de Grace):** No, Mr. Chairman, I apologize, and I hope that I am not misleading the committee. The London Assurance has been incorporated in 1720 in England; it has been operating in Canada since 1862 and it deals with general insurance, fire insurance and casualty insurance.

Last year, the London Assurance entered the field of life insurance. The Guildhall Insurance Company Limited, as it exists today, is also a British company; it is one of the main subsidiaries of the London Assurance and it has been operating in Canada since 1925; it has a great number of agencies here in Canada.

In December 1962, the Guildhall Insurance Company Limited acquired a majority interest which gave it control of the Canadian Equity Insurance Company, which company was incorporated by a special act of parliament in 1956 to deal also in casualty insurance, fire insurance, etc.

It is now the intention of the group designated by the name London Insurance to take away from the Guildhall Insurance Company, which is a British company, the activities in which it has engaged itself in Canada and to use the Canadian Equity Insurance Company to manage the Guildhall company's business.

That is the reason why they wish to change the name of the Canadian Equity Insurance Company, which will deal with the business carried on previously by the Guildhall Insurance Company, into that of Guildhall Insurance Company of Canada. It will be a Canadian company and it will also have a French name.

**Mr. Paul:** Is the hon. member implying, in his conclusions, that the mere fact of adding the word "Canada" is sufficient for a company to become a Canadian company? Would it not rather be a Canadian incorporation?

**Mr. Asselin (Notre Dame de Grace):** It would precisely be a Canadian incorporation, since normally it can be considered as Canadian when parliament authorizes its incorporation. In order to give satisfaction to my hon. friend, I may add that out of ten directors, eight are Canadians.

**Mr. Marcoux:** Can the hon. member give us the proportion of English capital as compared to Canadian capital invested in that company?

**Mr. Asselin (Notre Dame de Grace):** I am not in a position to answer this question definitely.

**Mr. Marcoux:** If it is not asking too much—

**Mr. Asselin (Notre Dame de Grace):** Yes.

**Mr. Marcoux:** —could the hon. member give us the names of the directors, of whom eight are Canadians? Is it possible to have those names?

**Mr. Asselin (Notre Dame de Grace):** I am pleased to comply with the request of the hon. member. Here are those ten names:

| Name | Address | Nationality |
|---|---|---|
| Mr. J. A. Pollen | London, Eng. | British |
| Mr. Wm. Toomey | London, Eng. | British |
| Mr. W. Earle McLaughlin | Montreal, Que. | Canadian |
| Col. M. C. G. Meighen, O.B.E. | Toronto, Ont. | Canadian |
| Mr. E. R. E. Carter | Toronto, Ont. | Canadian |
| Mr. Frank B. Common, Jr. Q.C. | Montreal, Que. | Canadian |
| Mr. E. A. W. Paterson | Montreal, Que. | Canadian |
| Mr. J. K. Lindsay | Montreal, Que. | Canadian |
| Mr. G. L. Craddock | Toronto, Ont. | Canadian |
| Mr. G. C. English | Montreal, Que. | Canadian |

That is all the information I have, Mr. Chairman, and that is why the proposed change is asked for.

**Mr. Ricard:** Would it be possible to know from the hon. member what is the proportion of shares held by each of the directors?

**Mr. Asselin (Notre Dame de Grace):** No, Mr. Chairman. But I may add that the bill was considered by the committee on banking and commerce and by our insurance department. I feel sure that the directors hold at least the minimum required under the law.

**Mr. Ricard:** You are satisfied without getting more details on that? You are satisfied with that?

**Mr. Caouette:** Mr. Chairman, I understand that the Canadian Equity Company or the Guildhall Insurance Company of Canada are Canadian companies and will carry on operations across the country, and I note that the bill is introduced by a good French Canadian member from Montreal. Consequently, I would ask the hon. member whether he intends to suggest to the company to have at least one French Canadian representative on its board of directors in order to please the French Canadian group in this country.

**Mr. Asselin (Notre Dame de Grace):** I shall be pleased to take into consideration that suggestion by the hon. member for Villeneuve and, with his permission, I shall suggest to the company to discuss that matter with him.

[*Text*]

Clause agreed to.

Clauses 2 and 3 agreed to.

Preamble agreed to.

Title agreed to.

**Bill reported and read the third time and passed.**

*Private Bills*

ADANAC GENERAL INSURANCE COMPANY OF CANADA

On the order:

Private Bills—House in committee of the whole on Bill S-44, an act respecting Adanac General Insurance Company of Canada.

**Mr. Macdonald:** On a point of order, Mr. Speaker, I should like to ask for the unanimous consent of the house to move this bill on behalf of the hon. member for York North (Mr. Addison) who is unavoidably absent from the house at this hour.

**Mr. Deputy Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

The house in committee of the whole on Bill No. S-44, respecting Adanac General Insurance Company of Canada—Mr. Macdonald (for Mr. Addison)—Mr. Lamoureux in the chair.

On clause 1—*Name in French.*

**Mr. Macdonald:** Mr. Chairman, perhaps I might point out to hon. members that the sole purpose of the bill is to provide this company with a name in the French language as well as in the English language. For more particular details as to the company's organization and control I would refer hon. members to page 4739 of *Hansard* where the hon. member for York North made a statement in moving second reading of the bill.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

POINTE-AUX-TREMBLES BRIDGE

The house resumed, from Tuesday, November 19, consideration of the motion of Mr. Rouleau for the second reading of Bill No. S-41, to authorize the construction of a bridge and a causeway over the St. Lawrence river near the city of Pointe-aux-Trembles, and the amendment thereto of Mr. Caouette.

[*Translation*]

**Mr. Guy Rouleau (Dollard):** Mr. Speaker, the last time we studied this bill, the hon. member for Mercier (Mr. Boulanger) moved that the debate be adjourned. He was to continue his remarks this afternoon, but unfortunately, important business keeps him away from the house.

Consequently, with your permission, in order that a decision be reached about the amendment moved by the hon. member for Villeneuve (Mr. Caouette) and in case I did not make myself clear the last time, I will resume briefly my argument.

[Mr. Asselin (Notre Dame de Grace).]

This is a bill through which the corporation Developpement Central Ville de L'Isle Inc. is requesting from the federal parliament the authorization to build a bridge over part of the St. Lawrence river to reach one of the islands it owns.

Waters are not navigable at the very point where the company wants to cross, because they are shallow, and the bridge would be 500 feet only.

Mr. Speaker, I submit respectfully that it would not be fair to Canadian taxpayers' money as well as the money of the citizens of the province of Quebec and of the city of Montreal to build a bridge which will only serve in fact to ensure a development by a company which owns an island.

Until now, the people concerned have spent hundreds of thousands of dollars to acquire the islands and to prepare the plans for the building of the bridge for which they ask authorization today.

I am of the opinion that it is only fair to authorize the directors of this company to start the construction of that bridge.

For the information of the hon. member for Villeneuve, I must say that, under section 11 of the Navigable Waters Protection Act, if a company wants to build a bridge, even if it is only over part of the St. Lawrence river, its directors must go to parliament and obtain the authorization to do so. That is precisely the procedure followed by the directors of the interested company.

In any case, the bill will be referred to a committee and all members who wish to secure information, will be able to do so by questioning the witnesses who will appear before the committee when the bill is studied.

Therefore, Mr. Speaker, I respectfully ask the hon. member for Villeneuve to withdraw his amendment so that the house may agree to the motion for second reading, which will give us the opportunity to study this measure more carefully in committee.

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, the other day when we dealt with Bill S-41, respecting the building of a bridge between Ile Ste. Therese, Ile-aux-Asperges and—

**Mr. Deputy Speaker:** Order. I have to inform the hon. member he has already taken part in this debate and that he is not allowed normally, to participate again. However, with unanimous consent of the house, he may withdraw the amendment he moved during the debate, but he is not allowed, according to the rules, to speak a second time.

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, were the house unanimous, the hon. member for Villeneuve could be allowed to speak.

**Mr. Deputy Speaker:** Does the house agree to the hon. member for Villeneuve taking part in this debate a second time?

**Some hon. Members:** Agreed.

**Mr. Caouette:** Mr. Speaker, I thank the hon. members for their kindness.

When the bill was submitted for the first time, we did not have the information needed.

As this concerns a very large residential, and perhaps commercial, development on Ile Ste. Therese and Ile-aux-Asperges, in Montreal—two islands which are not under development at the present time, precisely for lack of a bridge—we changed our stand.

Tuesday last, when we discussed this bill, I moved, seconded by the hon. member for Lapointe:

That Bill No. S-41 be not now read a second time, but that it be read this day six months.

Now, with the consent of the hon. member for Lapointe, who is not here at this moment but with whom I discussed the matter, I wish to withdraw my proposed amendment, so that the bill be carried as quickly as possible.

**Mr. Deputy Speaker:** Does the house agree to the hon. member for Villeneuve withdrawing his proposed amendment?

**Some hon. Members:** Agreed.

[*Text*]

**Mr. Deputy Speaker:** Has the hon. member unanimous consent of the house to withdraw the proposed amendment?

**Some hon. Members:** Agreed.

Amendment withdrawn.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

## LOTTERIES

PROVISION FOR ESTABLISHMENT OF CORPORATION TO OPERATE NATIONAL LOTTERIES

**Mr. J. N. Ormiston (Melville)** moved the second reading of Bill No. C-32, to establish Canadian futures.

He said: Mr. Speaker, I have only one regret this afternoon, and that is that there will only be 30 minutes allocated to the discussion of this bill, the subject matter of which has come in for considerable discussion during the past few weeks. I must say that there was a time in the past when I would have hesitated to talk in any positive manner on the subject of sweepstakes and lotteries, the subject matter of this bill. However, since there has been considerable comment in the press of the country over the past few weeks on this subject, I have no hesitation in discussing it at some length.

*National Lotteries*

Only a few weeks ago I picked up a copy of the *Globe and Mail* for November 8 and I noticed a headline which read, "Lotteries Gain Favour". This referred to an observation by the premier of Ontario, Mr. Robarts. I should like to quote briefly from the article, as follows:

Premier John Robarts suggested yesterday that Canadian public opinion was ready for an easing of the lottery section of the Criminal Code governing bingos, auto raffles and draws.

Statements by the attorney general are also referred to in the article, but I do not want to discuss those now. I should like to mention what was said in the *Gazette* a week later. There was a headline to the effect that the government was prepared to back state lotteries. A further headline read, "Federal Law Change Would Give Right to Provinces". This is the point I want to bring out. I am not going to read at length from the editorial, but I should like to mention one paragraph which reads:

Any decision will be dependant on the interest which the provinces display in the idea.

It has been suggested in various quarters that the subject matter of this bill might be ultra vires of this parliament because it infringes upon the rights of the provinces. I feel I must make some observations to disprove this suggestion. As a matter of fact, two measures on our statute books at the present time, the Canada Council Act and the Queen Elizabeth II Canadian Research Fund Act must fall if Bill No. C-32 is ultra vires of this parliament.

Now, sir, we must look at the pith and substance of the bill in order to determine whether the objects fall within federal or provincial powers as distributed under the British North America Act. The object may, of course, fall within both the federal and provincial powers. The object of Bill No. C-32 is to be found in clause 15. In short, the bill sets up an operating trust for the benefit of the Canada Council. Reference to section 21 of the Canada Council Act, chapter 3 of the statutes for 1956-57, will show that the Canadian parliament set up the Canada Council as a charitable organization as described in section 62 (1) (e) of the Income Tax Act, another statute of this parliament. I ask you, where did the parliament of Canada get the authority to give three readings to the Canada Council Act, a statute which sets up a charitable trust?

Section 92(7) of the British North America Act provides that a province has exclusive jurisdiction to make laws for the "establishment, maintenance and management of charities in and for a province." The implication of this provision is that a province cannot establish, maintain and manage a charity which is

not exclusively in and for a province. Therefore the establishment, maintenance and management of a charity in and for two or more provinces is within federal jurisdiction, under the first paragraph of section 91 which provides that Canada has power—

—to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces;

And also by virtue of section 91(29), which gives to Canada power to make laws for—

—such classes of subjects as are expressly excepted in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

Now, charities which are established, maintained and managed in more than one province are expressly excluded from provincial jurisdiction by the addition of the words "in and for the province." The legal rule of interpretation is that the expression of the one is the exclusion of the other.

If the argument, that the charitable object of Bill C-32 is not within the power of this parliament, is persisted in, then the proponents of that argument deny the validity of the Canada Council Act and the legitimacy of the Canada Council. They deny, too, the validity of the Queen Elizabeth II Canadian Research Fund Act, chapter 33 of the statutes of 1959. By that act parliament has set up a charitable trust in the name of Her Majesty that is devoted to research into the diseases of children, and the causes, prevention and treatment of such diseases, and gifts to the board of trustees are deemed to be a gift to Her Majesty. Therefore in law they are a charitable gift for public purposes.

Having established a trust and designated a charitable object recognized under the preamble of the Mortmain and Charitable Uses Act, 43 Elizabeth chapter 4—which is going back a long way—and as within the legislative competence of Canada through the enactment by this parliament of the Canada Council Act and the Queen Elizabeth II Research Fund Act, we now come to the question of how that fund is to be maintained. The answer is, by a lottery. Again it must be emphasized that the end and object of the bill are a charity; the lottery is the means chosen to the maintenance of that end.

The bill could have provided that the charity would be maintained by gifts to the trustees, as is the case with the Canada Council and the Queen Elizabeth II Canadian Research Fund, but the whole intent and mechanics of this bill are admirably set out in an order in council of the Nova Scotia government dated June 12, 1752, which authorized a government or royal lottery. That order recites:



Whereas a lighthouse at the entrance of the harbour of Halifax would be greatly beneficial to the trade, navigation and fishery of this colony and might be the means of preserving the lives and properties of many of His Majesty's subjects, and whereas although many persons might willingly contribute towards so good a work without any expectation of a reimbursement, yet probably many may more readily be concerned therein, when attended with any hopes of promoting their own interest at the same time.

Mr. Speaker, this recital clearly puts a public lottery in perspective. It shows it is nothing more than a practical method of financing a public good, and withal, a much more practical method than hoping that the public good will be adequately financed by gifts from the public. In contradistinction to the method of gift financing, the order in council subsequently refers to the lottery method as a "voluntary tax."

We now come to the legal power of this parliament to use the lottery or voluntary tax method of maintaining an all-Canadian charity. From earliest times it has been recognized that the king has a duty to expend money for the establishment, maintenance and management of public charities as incident to his responsibility for the care of infants—and I hope you will not be too amused—idiots, lunatics and charities—I hope not in that order. This prerogative extends also to the supervision of private charities. "Bacon's Abridgement of the Law", fifth edition, 1798, volume 5, at page 534 has the following:

In like manner in the case of charities, the King *pro bono publico* has an original right to superintend the care thereof; so that abstracted from the statute 43 Eliz. Ch. 4 (the Mortmain and Charitable Uses Act) and antecedent to it as well as since, it has been everyday's practice to file informations in chancery in the attorney general's name, for the establishment of charities and the like.

In a former bill which I presented to the house, Bill C-16, "an act to found and constitute the western Canada veterinary college", a public charity, I did not omit to provide in clause 9 that the college should be visited by Her Majesty or her ministerial agent to supervise the administration of that charitable trust.

To fulfil these charitable duties the crown has the right to raise revenue to establish charities, maintain them, and pay for their management. For this purpose the king may use his own private income, revenues from compulsory taxation of his subjects, or some sums of money given to him by way of gift, either outright or through the mechanics of a lottery. It was the lottery method that the king, through his council, used in the exercise of his prerogative to establish a lighthouse *pro bono publico* in the Nova Scotia example I gave earlier.

Through the years, parliament has by statute taken over many of the charitable duties of the crown, and the moneys to establish and maintain them are raised by compulsory taxes of one kind or another. Occasionally there are gifts to the state for public purposes, that is, charities in the legal sense. A Canadian example of this is the gift of Kingsmere park to the government of Canada as a public park in trust for the citizens of Canada, and you can see the Kingsmere Park Act, chapter 161 of the revised statutes. Or the government may initiate a public charity by starting a fund with moneys raised by compulsory taxes, and provide that thereafter the charity shall depend upon gifts for its maintenance. This is what parliament did in the Canada Council charity and the Queen Elizabeth II charity.

Section 92(7) of the British North America Act charges the provinces with the duty of establishing, maintaining and managing charities "within a province". With that duty is the reciprocal right to raise money to carry out that duty. The federal government is charged with a similar duty as to charities extending over one or more provinces. It enjoys a similar right to raise money for that duty. Nowhere does the B.N.A. Act prohibit either the province or the federal government, or the Queen in right of Canada, from raising money other than by compulsory taxes to establish, maintain and manage all-Canadian charities. If the parliament, or the Queen in right of Canada, wishes to set up a Canadian charitable fund and solicit gifts for its maintenance, that has been done. If the parliament wishes to set up a Canadian charitable fund and maintain it by lotteries, as in Bill C-32, that can be done. The question whether the provinces are presently bound by the lottery provisions of the Criminal Code, so that they cannot now set up lotteries to finance charities in and for the province, is not for me to answer. However, having given the argument which is in reply to the suggestion that this thing might be out of the jurisdiction of the provinces, I would go on to discuss the bill itself.

As laid down in Bill C-32 and as stated in the explanatory notes, its purpose is twofold. First, it provides for a legal outlet, under strictly supervised conditions, for those Canadian citizens who wish to gamble on sweepstakes, lotteries, and like games of chance. Second, it assures that moneys spent by Canadian residents on such activities will be redirected, with a minimum of expense, to the advancement of education.

Now, dealing with the first point, probably one of the most flagrant disregards for Canadian law is evidenced by our unabashed, bold and hypocritical attitude toward lotteries, sweepstakes and games of a similar nature. When we consider the numerous baking sale draws, turkey raffles and the chances we have taken to win a dream home or a Cadillac, it is hard to say if there is anyone who has not indulged in this type of practice at one time or another which, if investigated, would be illegal in the eyes of our existing antiquated law dealing with this matter. One may smile at the examples I have given, and complain of their overuse, but neither the truth they illustrate nor the ridiculousness of the situation which they stress can be denied.

Thus, the bill is so worded that those who wish to participate in the "casting of lots"—and I use this form advisedly since it is found in Joshua, chapter 18, verse 10—may do so. Also, they may participate in one of the oldest and most recognized entertainments since man has indulged in games of chance, and their right to participate will be protected by some method. The Canadian people can thereby enjoy a definite feeling of assisting in some facet of Canadian social justice. This bill is so devised that its legality and terms are concise and clear. Protection from graft and hucksters is guaranteed to participants in the games, and hypocrisy will be eliminated because Canadians will have in fact, freedom of choice; not that it has been denied in the past, but rather their choice can be made within the framework of the law.

What of the second purpose of the bill, that of distributing the income from these games for educational purposes? Well, it has been estimated that thousands of Canadians gamble away $500 million, with $70 million or more being dropped at the racetrack alone. As well, Canadians spend at least $20 million on lotteries and sweepstakes, breaking the law each year. It is interesting to note that in the past 23 years, Irish hospitals have received $100 million as a result of the sweepstakes. And here is a fact: Canadians have contributed a fine share of that. This year alone, it has been estimated that we will spend $15 million on the three Irish sweepstakes alone.

This is money which should stay in Canada. There is no getting away from the fact that as long as games of this nature are in existence—and I have seen no proof to make me believe they will ever be eliminated—the money spent on them should not be shared only by the winners and a group of entrepreneurs who might own the business but, rather, that it should be shared with all other Canadians.

Why education? Let me draw attention first to the university teacher and researcher recruitment problem. Dr. E. F. Sheffield, research director at the Canadian universities foundation, recently provided us with some very startling facts. In the academic year 1960-61 there were some 9,000 teachers and research workers in Canadian universities. But by 1970-71 it is estimated that the required number will be 25,000.

Dr. Sheffield has emphasized a number of difficulties relating to this problem. Proper recruitment procedures is one of them. But there are other more difficult problems. There is that of attracting qualified Canadian university graduates; that of keeping them in Canada; that of attracting teachers and researchers from the United States, and that of keeping some of them out of industry.

Although the foundation is doing an excellent job in solving many of these difficulties, I am sure Dr. Sheffield would agree with me when I say that suitable working conditions in the universities and attractive salaries for recruitment and retention of staff are vital. I submit that this bill would go a long way toward providing a solution to these problems.

What of the student population explosion and the resulting cost of providing university facilities? Dr. R. B. W. Jackson, director of the department of educational research, Ontario college of education, recently presented a paper to a conference of the Canadian education association in Quebec city. Dr. Jackson stated that the student population explosion threatens to exceed previous predictions and will continue at a high level until 1980. The cost of providing facilities needed in the next ten years in the universities could reach $1.75 billion and operating costs alone will double every four or five years. The Canadian universities foundation has estimated that total capital requirements of Canadian universities and colleges up to 1965-66 will be about $800 million.

Then there is the Canada Council. At the moment, the council receives from an endowment fund approximately $50 million per year which it distributes in the form of fellowships, scholarships and bursaries for deserving students who wish to pursue studies in the arts, humanities and social sciences. A new category will be instituted later this year, that of fellowships in science, engineering and medicine. I will only say at this time that the Canada Council has been doing a splendid job. Additional funds will increase its good work accordingly. The education problem is staggering. This bill could go a long way toward eliminating some of these difficulties.



Let me close by saying this: In my opinion, passage of this bill would provide the machinery which would allow Canadians to carry on an activity within the framework of the law; it will conserve Canadian dollars in Canada and would put them to work against this startling and frightening educational problem which faces us; and, may I repeat, it will eliminate a farcical, bold, brash, disregard of Canadian law. If we are allowed to turn our heads away from Canadian law on a question such as this, where might it stop? This unwelcome hypocritical precedent must be eliminated. Lotteries and sweepstakes work. I think Canada would participate in a "sure bet" by the passage of this bill.

**Mr. Steven Otto (York East):** The hon. member for Melville (Mr. Ormiston) will have noticed that I used two earplugs, just to get his message. When I was originally asked to talk out this bill—

**Some hon. Members:** Oh, oh.

**Mr. Knowles:** You got that message, anyway.

**Mr. Otto:** —to talk on this bill, I expected it to be a bill concerning the purchase of sugar futures or wheat futures, or some economic measure. I was amazed to find out that it was a bill to establish a giant bookie business. I am disappointed, with all due respect, that a gentleman sponsoring a bill in which he seems to have a serious interest would try to hide it by calling it "An Act to Establish Canadian Futures". I am surprised he should try to hide it under the aura of business. It is, after all, a sweepstake bill, a horse racing or bookie bill.

The hon. member suggests that one of the purposes of this measure is to keep in Canada money spent on Irish sweepstakes, and so on. Well, if members would investigate the police reports they would find that, because of our counterfeiting, which is pretty good, most of the money which is supposed to be going to Ireland is staying in Montreal anyway. What we are really talking about here is whether we are to legalize gambling. Far be it from me to say yes or no, but this is the question we must face: Are we going to take advantage of this situation; are we going to accept the fact that there are a certain number of people who want something for nothing—and this applies to most of us, at one time or another—and are we going to say that in this case we will make money out of it? It has been said that investment in the stock market in the purchase of shares and bonds, which this government and all of us are trying to promote, is to a certain extent gambling. On that basis it can be said that if we gamble

on the stock market or on the future of wheat or sugar, surely there cannot be very much wrong with the purpose of this bill. However, I venture to say that in many cases where we gamble—and business gambles; we all gamble—there is at least an element of effort that is put in to make it a successful venture. Pure gambling, which this is—

**An hon. Member:** "Pure" gambling?

**Mr. Otto:** —does not have this aspect. If we say that we are going to take advantage of the fact that a certain number of people are going to gamble at all times, they are going to buy sweepstakes tickets, they are going to play bingo, there are many other more lucrative sources of revenue that we could probably consider. For instance, we could decide whether we are going to sell morphine, or legalize or license some of the oldest professions. There are many other vices in which people indulge. We know there are drug addicts, and we could just raise the price of drugs, for instance. Today the Minister of National Health and Welfare (Miss LaMarsh) reported to the house that we are trying to persuade young people not to smoke. Why do that? Why not just raise the price of cigarettes and get everybody to smoke? This is the real issue here.

Let us suppose that we decide gambling is not such a big vice, that we are all going to do it, so let us legalize it. We then change to some extent the morals involved in this question. This is what we are asked to do here. It will always be quasi moral, quasi legal, and this is the element that invites the unwelcome entrepreneur, whether we are talking about the whisky business or whatever it is. Some of my best friends are, or were, moonshiners. It was difficult for them to grasp the fact that the government or somebody else could make whisky and sell it but they could not. It no longer becomes a moral issue if we take this stand.

We are here dealing with future Canadians. I take it we would have a very respectable board or commission, composed of judges, professors, and so on regulating the bookie business. It is going to be very difficult to convince other people that they have no right to do this. They ask, if it is moral for the government to do it, why is it not moral for them to do it. This is the real issue. I do not know that I have made up my mind one way or the other. Whether the element of pure gambling is involved, it is still a moral question to this extent, that the number of people who will take advantage of sweepstakes will cause serious concern to this country, our economy and our way of living. But nevertheless this is the question the house must decide at this time; not that this will be an isolated instance all on its own and there will be no other similar questions to decide, because we will still be asked to decide whether we are going to legalize bingo games or lotteries of all kinds, controlled or uncontrolled.

Therefore if the hon. member, instead of presenting this bill had presented a bill to the house to amend the Criminal Code, perhaps this would have been a better way to achieve his object, because if we are going to legalize gambling we should do it with proper regulation, in the proper way, through the Criminal Code, and all we would have to say would be, "Gambling is not such a bad thing after all. We have lived with it for centuries and we are going to go ahead with it". For these reasons I would ask this house not to support this bill.

**Some hon. Members:** Question.

**Mr. Ralph Cowan (York-Humber):** Mr. Speaker, this is the fourth occasion on which we have had an opportunity to express ourselves on the question of lotteries, and I am mighty glad that a private member from Saskatchewan has introduced such a bill. This means that of the six bills of this nature before the house at the present time, members from four different provinces have spoken in favour of legalizing that which is being carried on from one end of Canada to the other.

I do not think the last speaker ever worked for a newspaper or he would not have asked the question, "Would there be enough people buying sweepstakes tickets to justify setting up sweepstakes in this country?" If he had ever worked for a newspaper and received the hundreds of telephone calls that come in every day, all day long, inquiring as to what second was the third goal scored in the game between so-and-so the day before, he would know the answer to his question. We have made inquiries about this, and we in the newspaper business know that the second at which a goal is scored is the pay-off on the sweepstakes being conducted on hockey games right across the country year after year. About 12 years ago these lottery operators or entrepreneurs, as they are called, realized that if they tried to sell tickets in offices on the number of goals that would be scored in a game, they would find it very difficult, because once you got up to the "12" figure people did not like paying their money and in effect drawing a blank.

Now they can make money by selling thousands of tickets on a hockey game, specifying at which split second the winning goal will be scored. There are tens of thousands of people engaged in this hockey pool business in the country at the present

time—and I can give the house first hand information on that. It is part and parcel of the sweepstakes business. I sincerely believe that we should legalize what is now being done by people surreptitiously. Over $200 million are involved in this business and a great deal of it goes out of the country.

The last time I spoke about lotteries I had Irish sweepstakes tickets on the Cambridgeshire, but of course the Cambridgeshire has now been run, and a great deal of publicity was given to the Canadian winners. I have here three tickets on the Grand National. I bought these on Saturday afternoon while walking along Annette street in Toronto. My personal supplier happened to see me as I was going from the St. James Roman Catholic church bazaar to the Runneymede Presbyterian church bazaar, and he was good enough to honk his horn to let me know he had tickets. This shows how "difficult" it is to buy these tickets in our dominion.

**The Acting Speaker (Mr. Batten):** Order. I must advise the house that the hour for private members' business has expired, and the house will now revert to the business which was interrupted at five o'clock.

## REDISTRIBUTION

### PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

The house resumed consideration in committee of the following resolution—Mr. Pickersgill—Mr. Batten in the chair:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure 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; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the Chief Electoral Officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure; and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide for the establishment of electoral boundaries commissions, including expenses of administration thereunder.

At six o'clock the committee took recess.

[Mr. Cowan.]

## AFTER RECESS

The committee resumed at 8 p.m.

**Mr. Diefenbaker:** Mr. Chairman, at the time of adjournment I was referring to the fact that we believe in one commission rather than ten; and we emphasize the necessity of there being two judges on such a commission. I had mentioned earlier the attitude taken by the Right Hon. W. L. Mackenzie King in that connection. Before I refer to what he said I might mention that as far back as 1903 the Conservative party took its stand in this regard and, as of the redistribution following the legislation of 1900, as a party we accepted the principle of a reference to a judicial tribunal with rules for the guidance of that tribunal. In that connection I refer to *Hansard* for 1903. It was also proposed that county boundaries should not be laid down as a principle except subject to certain conditions. It was proposed to refer the whole question to a judicial tribunal to be composed of chief justices of the supreme courts of the several provinces. The resolution in question read as follows, as reported at column 12376 of *Hansard* for September 25, 1903:

First, that a commission to consist of the chief justices of the highest courts of judicature in each of the provinces of Canada shall be appointed for the purpose of fixing the boundaries of each constituency entitled to elect a member or members of the House of Commons—

Then after some further general remarks the resolution continued:

—that such commission in so doing shall consider the distribution of population according to the then latest distribution of population according to the then latest census of Canada and the public interest and convenience, and shall particularly have regard so far as practicable to the boundaries of the counties, municipalities and cities.

MacGregor Dawson in his book says this:

Thus Mr. Mackenzie King in 1933 suggested a commission of six judges from different provinces (three to be nominated by the government, three by the opposition).

Furthermore, I recall very well Mr. King's speech in the House of Commons on July 15, 1947 when, as he often did, he quoted what he had said on other occasions. On this occasion he said, as reported on page 5648 of *Hansard* for that year:

My own view, and I have come to it after observing pretty carefully what has been taking place and what has been said in debate in this house as well as in the corridors, is that redistribution should be taken out of the hands of the House of Commons, where the parties are immediately interested, and should be put in the hands of a commission of judges. I would have that commission composed of judges selected in equal numbers by both sides of the house. The redistribution, if it is carried out in a fair way, has not to do with party advantage at all. It ought to have solely to do with seeking to effect a fair and impartial division of the constituencies.

And then he goes on to deal with the question in a general way.

On June 28, 1952—I am not going to follow Mr. King in this regard—I said on that occasion that I would set out in some detail the plans followed in this regard in other countries. I am sure with the reinforcement of Mr. King's views in this connection, and with the expressed desire of the Secretary of State to listen to the voice of reason, this is one matter which he will be willing to reconsider. Because if the plan be to appoint ten commissions across Canada, there will be as many different angles to the decisions arrived at. Regardless of whether there is one member representing the country as a whole, the same person being on each commission, there will be uncertainty and great difference of opinion.

Looking back to what has been done in other countries, South Africa has three superior court judges to consider the redistribution question. New Zealand has two commissions composed of five members on each, Australia, to which reference has been made, has one for each state consisting of the surveyor general, the chief electoral officer, with the chairman nominated by the governor general, who I think is really the governor in council. The United Kingdom has a chairman, the registrar general, the director general of the ordinance survey, and two other members.

I am not going to go into detail this evening because there will be every opportunity for that later, but I do want to point out some salient views which we hold in this regard. The first is that, to ensure that this would be an independent national commission, there should be one commission with a majority of judges on it. It is not for me to say what is in the bill, and I make no reference to it. But I point out that when in 1962 we introduced our measure there was no one more definite than the present Secretary of State in the view that under no circumstances should such a plan be accepted unless the names of those appointed were included in the bill. We took the stand that this had never been done previously. I am sure there has been no reconversion on the part of the Secretary of State, and in any appointments there should be I am confident that, in accordance with the spirit he has exhibited today in such abundant measure, he will see the wisdom of placing before us the names he has in mind.

**Mr. Pickersgill:** If the right hon. gentleman would permit me, I should like to make one intervention. I know he does not want to misrepresent the position I took. I did take the position that I thought the names should be in the bill, or that the appointments should be made by parliament. I still think that this should be done in some fashion. One thing I do want to make clear: I do not think it should be done by the governor in council.

**Mr. Diefenbaker:** I am clear about that; but whether it is done by the governor in council or otherwise, I am glad we have the certainty we now have that the hon. gentleman believes those names should be available to parliament in advance.

It is not for me to reveal what is in the bill but if, perchance, there were any provision whereby in the absence of agreement between the government and the opposition the governor in council would make the determination, I am sure the governor in council would be making quite a few of the appointments. That is something the hon. gentleman feels should be prepared against, so I am sure the government will be in a position, before the bills are in front of us, to indicate who in its opinion, should constitute this commission. There has been, as I said a moment ago, a large measure of agreement surrounding the person of the chief electoral officer, and I hope a similar measure of agreement can continue with respect to the other appointments to be made.

And now we come to one of the most difficult and complex problems facing us, a problem which has exercised the thinking of successive administrations in the past. From the very beginning of our country and throughout the years the principle has always been accepted that a rural seat should not be required to have the same population as an urban constituency. The reason for this is apparent to all who have represented rural constituencies. I was particularly struck by what the Secretary of State said today. Seasoned first in Manitoba, and then ripened in Newfoundland, he has an appreciation of the country as a whole which few possess. Travel widens, and experience of that kind always expands the scope of wisdom, and I am sure, Mr. Chairman, you would agree that this scope on the part of the hon. gentleman has been greatly increased since he took over Newfoundland. However, there has been a great deal of discussion on this subject. The same problem exists in the United States. As the house knows, there was a judgment of the supreme court of the United States in 1962 on the subject of constituencies—districts, as they are called in that country. In that judgment it was pointed out that throughout the years rural districts in the United States have had lower populations than have urban districts. It has been an acceptable situation, and the judgment places, as it were, the handwriting on the wall for the practice in this

regard. It has been a long, difficult and trying experience to determine what is fair and what is reasonable. A similar difficulty has been encountered in our provinces, as well. Without designating any one of them in particular, I can think of one province in which two cities have almost half of the population but only one quarter of the seats in the provincial legislature. It is difficult to arrive at a fair basis of representation.

Certainly, I would be the last to argue that there is the fairness there should be when one constituency may have a population of a quarter of a million and another a population of less than twenty thousand. I am not thinking now of the two northern constituencies which, as the hon. gentleman has said, have guaranteed representation, just as the provinces by the sea have guaranteed representation in the parliament of Canada. It is a difficult problem. There are some who suggest that under the present system Canadians are governed by a rural tyranny. I think it was McGeachy who, referring to those in the country, said: "The tyranny of the yokel will be hard to break". That was in an article which appeared in the *Financial Post*. It is not a very good basis upon which to proceed, but it is indicative of a state of mind.

We must endeavour to bring about, with reasonable regard for the urbanization that is taking place, a basis of representation which will not be unfair to those large rural areas which are so difficult to represent in parliament. It is not for me to place before the committee any of the temperate views expressed in the bill that is to be introduced, but I am going to place before the house what the view was of the members of the Conservative party when it formed the government of Canada. I know there was criticism that we should have proceeded earlier than we did with this matter. Until today that criticism was tenable, but after listening to the Secretary of State point out the length of period of time that will be necessary in order to bring about the change, full corroboration has now been given by him of the course which we followed.

I recognize fully the difficulties that are inherent in any decision that will be made. We worked on this matter at length. The Secretary of State has spoken of the interviews he has had with numbers of knowledgeable people on this question. We did the same. What formula could we arrive at that would be fair to all? I am going to place our views on record, and they represent our views today as they did when we introduced our bill in 1962.

We believe, as I said, that there should be one commission consisting of five members, one of whom shall be the person for the time being holding the office of chief electoral officer of Canada and the remainder to be named in the proclamation. So we have that measure of agreement this evening between the government and the opposition, in that we agree that Mr. Castonguay is the type of person to occupy a position on this commission. Then we went on to deal with the ground rules, as it were. We said that the commission would have to make a report within a year and that in preparing its report the commission should be governed by certain rules. We said that the division of each province into electoral districts, and the description of the boundaries, should correspond as nearly as may be to the electoral quota of that province, that is to say, the quotient obtained by dividing the population of that province as ascertained by the census by the number of members of the House of Commons to be assigned to that province as calculated by the commission under section 11. There is no argument about that.

Then we mentioned the difficulty in connection with electoral districts represented by two members in the House of Commons. That is a problem, for example, in the city of Halifax. Throughout the years it has been a matter of tacit tradition and accepted policy in Halifax that one member shall belong to the Protestant faith and one member to the Roman Catholic faith. We have to make allowances for that.

What about representation by population? The old cry of "rep. by pop." almost caused people to resort to rebellion. It is a principle that must be accepted, subject to exceptions that are based on many considerations too numerous to outline at the moment. We also provided in our bill that attention should be given to special geographic considerations, including the sparsity or density of population of various regions of a province, the accessibility of such regions or the size or shape thereof, which appeared to the commission to render such a departure necessary or desirable. We think that is a consideration that should be placed in the statute as one of the ground rules.

We said that consideration should also be given by the commission to a departure from the principle of representation by population in the case of any special community or diversity of interests of the inhabitants which would render a departure necessary or desirable. That is pretty general in its terms but, as the minister said today, we must endeavour to allow for a reasonable degree of flexibility, so that the commission may exercise their responsibility in fairness and in justice.

We also provided for a departure wherever it appeared to the commission to be necessary or desirable, without causing excessive disparities of size between electoral districts, in order to take advantage of existing boundaries of counties, districts or other municipalities. One can think of old, traditional ridings in Quebec and Ontario which have been distinguished throughout the years for the representation they have had in the House of Commons. I have no plea to make for Prince Albert; and with a complete absence of bias and prejudice, of course, I point out that Prince Albert is the only constituency in Canada that has ever had three prime ministers. Sir Wilfrid Laurier, as Mr. Laurier, was elected in 1896. In those days when anyone accepted a position in the gift of the crown he immediately lost his constituency and following his elevation to the prime ministership he chose Quebec East.

Prince Albert also had Mr. Mackenzie King for many years. There is a constituency far removed from the centre of the nation which has contributed three of the fourteen prime ministers of this nation. Quebec East had Sir Wilfrid Laurier and the Right Hon. Louis St. Laurent. There are quite a number of other similar cases across Canada. Manitoba has been honoured twice by having prime ministers. Leaders of the opposition, too, have found kinship in a province far removed from their accustomed abode. All this indicates that every constituency, whether rural or urban, can make a contribution to the House of Commons.

We have the rule of "rep. by pop.", but whatever political scientists may say in this regard there must be a recognition of the fact, which I am sure is within the experience of all members representing rural ridings, that traditionally some degree of tolerance should be granted. My suggestion is that the commisison might depart from the electoral quota for the province in question, for any constituency, to the extent of not more than one third or less than one third. This means that if the quotient is 70,000 any constituency would be allowed to have no more than about 94,000 and no less than approximately 46,000. I place that before the committee as a fair and reasonable basis.

Now, I know that whatever we do will cause harm to some of our members. However, the attitude of good will in the house that was evinced in such an abundant measure this afternoon by the Secretary of State causes me to make the suggestion that this might be a reasonable basis. Someone will say, "That will have the effect of wiping out my constituency"—or someone else's constituency. But no matter what we do in order to bring about a compromise, to bring about fairness and justice, there will be some who will suffer. Some might suggest 20 per cent. I do not think that will cover the situation at all. I think that a 20 per cent tolerance would have very serious consequences. I do not think it is enough. I point out what the situation will be in the provinces of Ontario and Quebec, where ridings that have been represented through the years, which members have served with distinction, will find themselves obliterated if we follow the principle of representation by population literally.

It has been accepted in the United States that there must be a recognition of the fact that rural ridings will necessarily not have the same population as urban ridings, for many reasons that could be advanced and will be mentioned by other members. I suggest, therefore, that a one third tolerance will meet the situation. While it will not meet the position of many individual members in the house, it has in it the elements of fairness and justice. This is what we are trying to bring about.

The Secretary of State said that he hoped what we would do would be followed by other parliaments. I do not express the hope, I express the certainty; because when we remove this cancer of political manipulation and operation on constituencies, without an anaesthetic, for political purposes we will have removed one of the most serious blights on the parliamentary system. Furthermore, I believe when this commission is of the opinion a direct application of the rules in any particular case is not practicable or would be likely to produce inequitable results, they may recommend a departure from the general rule.

There are many other matters with which I could deal, but other members will deal with them. I am trying to meet the problem without the rancour of experience, without going back once more to fan the embers of past controversies, but trying to deal with this subject in a fair and objective manner. The minister has stated that the house is going to have an opportunity to make a determination, that the government is prepared not to stand or fall on whatever bill may be produced but rather to ask for the counsel of the house. It is for this reason I have chosen to place these views before the committee. I hope that there will be a considerable amount of discussion of this proposal. This is not one of those things that can be rushed through. We are charting new courses. We are entering into an experiment. We are turning our backs on the past. All too often redistribution was an occasion for action to remove political adversaries. We are

trying to end this, and for that reason I have set forth some of the general considerations we feel are necessary.

We feel that the appointment of ten commissions is not the answer to the problem. We feel that there should be a national commission. We feel that the representation on that commission, with the exception of he who holds the position of chief electoral officer or the position envisaged by the resolution, and possibly the surveyor general, should consist of judges who will be removed from politics and whose views will be accepted as a judicial decision based on the rules made by parliament. We feel that, in so far as the rural constituencies are concerned, there should be a tolerance of approximately one third.

Now, all of this will not place in the hands of the commission the power of a final decision. The decision must rest finally with parliament. We have to guard against setting up a commission that will be determining the rights of parliamentarians and, therefore, there must be final acceptance by parliament of whatever the recommendations of the commission may be. It is not for me to say what is in the bill that has been drafted. But generally speaking, I feel that we must assure that parliament shall finally determine the matter. I am not going to make any observations on what may be in the bill in that connection.

I believe I have covered what I set out to cover. If the same attitude is taken as was so evident today in the opening remarks of the Secretary of State, I am sure that we will evolve a plan that will be a credit to parliament, to our responsibility to assure the maintenance of the democratic process and, above all, that each of us will be acting in accordance with the dictates of justice rather than the compelling mandate of political consideration.

**Mr. Pickersgill:** Mr. Chairman, what I am going to do is rather unusual, but in view of all the circumstances I would like to say to the right hon. gentleman, and also to the whole committee, that the desert here on the treasury benches is occasioned by the fact that a meeting is being held in connection with the federal-provincial conference, and it is not intended as a discourtesy to the right hon. gentleman or any other member of the committee. I am only sorry my colleagues were not here to hear the speech of the right hon. gentleman.

**Mr. Churchill:** I didn't notice anything strange.

**Mr. Knowles:** Mr. Chairman, both the Secretary of State and the Leader of the Opposition have had occasion in the course of their remarks to refer to the greatness of our parliamentary institution. This is a sentiment to which we all subscribe. I believe all of us accept it as our responsibility to try and maintain that greatness, and indeed to do what we can to make this institution even greater for our having been here.

As one who has had the opportunity of participating in the parliamentary redistributions of the 'forties and the 'fifties, I sense already the possibility that this debate on redistribution may well be unique; it may well be unlike any other that we have had in our Canadian history. As I have indicated, I took part in two of these redistributions, those in each of the last two decades, and they were rather stormy, quite fiery and very contentious. I have also had occasion to read some of the earlier debates on redistribution, and I must say that by comparison the storms we had in the 'forties and 'fifties were games of tiddlywinks. As a matter of fact, it has not been in redistribution debates that parliament has proven its greatness. In the past these debates were occasions when hon. members exhibited proprietary interests in their own constituencies, in which one party tried to hurt the other, in which various injustices were done, and all told these debates have not been the brightest chapters of Canadian parliamentary history.

With that background I am delighted, as I am sure are all hon. members, that we are having the opportunity in this session of parliament to bring into being legislation that will remove the drawing of constituency boundaries from a parliamentary committee and put it in the hands of an independent commission. I had earlier planned on giving some details as to where parties stood on this matter in the past, but I confess that in view of the charms of Orpheus, otherwise known as the Secretary of State, and the endeavour of the Leader of the Opposition to match that charm, it is a bit difficult to remind Liberals and Conservatives of the details of their past on this question.

**Mr. Diefenbaker:** If you start on this we will start on the Saskatchewan redistribution.

**Mr. Knowles:** The Leader of the Opposition referred to the fact that Mr. King in 1933 favoured redistribution by an independent commission. I have also read those words of his. He did not like the redistribution that was being effected by the government in power at that time, so in 1933 he favoured an independent commission; but in 1943, when Mr. Coldwell asked if consideration was being given to redistribution by an independent commission, there was no answer, and likewise, the redistribution of that decade, which did not come until 1947, was put

through by a parliamentary committee on which the Liberals had a majority. Again in 1952 the same Liberals were in power and redistribution was done by a parliamentary committee rather than by an independent commission.

**Mr. Caouette:** The same Liberals are there now.

**Mr. Knowles:** My hon. friend from Villeneuve is interjecting. I happened to notice his name in one of these *Hansard* volumes, when he was here before as the hon. member for Pontiac, and I find that on one occasion he too voted against redistribution by an independent commission. I mention these things of the past just to indicate how pleased I am that we have reached this point of unanimity.

I was going to say that the Leader of the Opposition was quite correct in pointing out that the Conservative party, many years ago, started talking about redistribution by an independent commission, but somehow or another that talk was when it was in opposition. When it was in power, for example in the 'thirties, it did it the other way. Even in 1947, when I had the privilege of moving an amendment on second reading of a redistribution bill, that it be not now read a second time but that it be resolved that in the opinion of the house redistribution should be effected by an independent commission, only some 19 members of the Conservative party—mind you, they were the better ones —voted for that amendment. All the rest of them voted the other way.

So, there has been a slow process of education among the various parties. However, we have now reached the point where we all agree that no longer should redistribution be carried out by a parliamentary committee, no longer should we go through this kind of bitter experience in which hon. members try to protect their proprietary interests, as was the case in the nine or ten redistributions this country has had up to the present time.

Also, as the Leader of the Opposition has pointed out, his party when it was last in power did commit itself to the principle of redistribution by an independent commission. He has made it clear in what he said this evening that he may differ in some detail from the proposals to be made by the government, but at least the Conservative party, let it be said without qualification, committed itself while it was in power. I think this was the first time a government in power committed itself to redistribution by an independent commission. We now have the Liberals back in power, and for the first time in their experience as a party in power they have committed themselves to this same principle.

Mr. Chairman, this is good. We have now come to the point where we realize the seats we represent are not our personal possessions. We have come to the point where we realize that parliament belongs to the people of Canada and that we must find some way, other than doing it ourselves, to determine the boundaries of the constituencies that are represented in this house. I say again, this is good, and we may well have the opportunity in this debate to wipe out the memory of the nine or ten redistribution debates in the history of our country which make reading that does not add to the greatness of parliament.

I liked the suggestion of the Secretary of State that we might now put on our statute books a piece of legislation that would not make it necessary to make basic changes every ten years. The Leader of the Opposition echoed that, and turned that hope into confidence. I join with both of them in hope and confidence this will be the case, but it will be so only if we produce good legislation in this field at this time. I was glad to hear the Secretary of State make it clear that this is not a piece of legislation the details of which the government will make a matter of confidence, but rather that we start with the proposition that all of us agree on the principle of an independent commission, and by discussion here in parliament, the best kind of discussion, we will put our various views forward. Then by listening to the views put forward by others, we may come up with the kind of legislation that will not require basic changes every ten years.

I look forward to that being done, Mr. Chairman, because in the two previous decades in which I have been here, basic changes did have to be made. In the redistribution in the 1940's we took two bites at it. In the first place, although the government of the day, in the speech from the throne in 1943, said there would be redistribution in that session, it decided this was too contentious an issue to put before parliament during the war, so an amendment to the British North America Act was sought in order to postpone that redistribution, to postpone the contentious kind of debate it would have produced. It postponed most of the debate; but even the debate on the British North America Act amendment itself was a very contentious one and things were said which I think afterwards members perhaps thought were not to their credit and wished they were not recorded for all time.

Then when we did get at the matter in 1947 we had to make a basic change; we had to increase the size of the house from 245

seats to 262 for the 1949 election, so that the reductions in some of the provinces of the members they would have would not be too serious. Then when we got into the 1950's and came at the matter again, we had the problem of Saskatchewan losing too many seats because of the kind of adjustments in population that had taken place, so we had the formula that was written into the British North America Act at that time, which I think was proposed if not openly, certainly by understanding by the then minister of agriculture, Mr. Gardiner. At any rate, it was a pretty fundamental kind of change that we had to make, out of which we came up with 265 seats and these several variations in the general rule of representation among the provinces according to population.

If we are going to avoid having to make these basic changes every ten years, this job should be well done. I believe we all agree with the Leader of the Opposition that this is not something to rush. Let us look at the legislation carefully; let us study it carefully; let us come at it in the spirit that has been demonstrated thus far today by those who have spoken; and let us try to do as effective a job as we can, not for ourselves but for the Canadian people to whom parliament really belongs.

Now, Mr. Chairman, I would like to say a few words about some of the details. We have not seen them all yet; we have only those to which the Secretary of State has alluded in discussing the resolution, and those to which the Leader of the Opposition has alluded by comparing what might be with what his government proposed when the Conservatives were in office a year or two ago. We do have this question of whether there should be one commission or ten. Here I think we can discuss the matter in good faith. It is not a partisan issue. But I think it is good that we do have these two proposals before us. As a matter of fact we really have three proposals: the proposal for one commission; the proposal for four commissions, which the government is apparently not going to place before us; and the proposal for ten commissions, which is before us. I would like to suggest that we take a rather sympathetic look at the proposal for ten commissions. I appreciate the suggestion of the Leader of the Opposition that we have one for purposes of unity; but I think if each of us would consider the position in his own province he would realize that the chances of all the things that need to be considered receiving full consideration are best if there are people from that province doing the job for that particular province.

The Secretary of State indicated this afternoon that the government's plan would call for ten commissions of four members each, one of whom would be the representation commissioner and the other three from the province concerned. I made reference to the independent commission that we have in the province of Manitoba for the purpose of provincial redistribution. I think the pattern we have in Manitoba is a good one and I dare to hope it is a pattern that might be followed. In our case the commission consists of the chief justice, the president of the University of Manitoba, and the chief electoral officer. If the government's plan goes through, the total commission for Manitoba would be those three and the representation commissioner. I think the representation commissioner sitting on all ten commissions would provide unity and consistency. On the other hand, having a commission for Manitoba consisting, as I hope might be the case, of Mr. Castonguay and the three persons I have already named from Manitoba, would produce a body which would not only be above any partisan consideration or reflection at all, it would not only be a board of efficiency—in Manitoba's case, one that has proven its capacity to do the job—but we would have three out of the four of that group being Manitoba people who would know the history, the geography and the people of Manitoba and would be able to take into consideration the points that need to be considered in order to draw the boundaries in the best interests, not of the members of parliament for Manitoba but in the best interests of the people of Manitoba themselves.

So I say, Mr. Chairman, let us look at these various proposals. I think the idea of ten commissions, one for each province, is a good one. I have already, by implication, joined in the tributes paid to Mr. Castonguay by the Secretary of State and the Leader of the Opposition. We think there was nothing inappropriate in the Secretary of State admitting that this is a name that has been considered, because this chief electoral officer, the son of a former chief electoral officer, both of whom have performed good service for this country, would certainly be an ideal person for this position. I agree that we should be given the names of those who will make up the commissions, or that we should know the device by which these names will be chosen. I was glad to hear the Secretary of State say that he does not think they should be chosen by order in council.

I would like to say a few words about another detail that the Leader of the Opposition discussed in his remarks. It is hardly a detail; it is pretty basic to the whole question. I refer to the matter of what tolerance there should be from a quota. The Leader of the Opposition told us that in the bill presented

by the previous government the proposal was that there be a tolerance of one third above or below the quota. When you work that out by mathematics, it means that the largest seat, in terms of population, could be twice the size of the smallest seat, in terms of population. When you realize that the former government's bill had—it was read to the committee this evening—escape hatches to go even further, you can see that a considerable disparity would be possible if there were that much tolerance.

The Leader of the Opposition threw out the figure of 20 per cent. Personally I think some such figure as that would be better. If you do your arithmetic again, you will realize that if you do allow a tolerance of only 20 per cent, the largest seat, in terms of population, can be only one and a half times the size of the population of the smallest seat. In all cases I am speaking about seats or constituencies inside a province. That leads to this whole question of the disparity or difference between rural and urban seats. I know the traditions about this and I readily recognize that this is something we do have to consider. Hon. members of course are aware of the fact that I represent one of those tightly knit urban constituencies. Though the population of Winnipeg North Centre is larger than the average across the country, the number of square miles of the constituency is very few. I say that just in case anyone thinks I am speaking from the standpoint of an urban member as against the two previous speakers, both of whom have spoken as rural members. That at least is on the record.

I think there are two aspects to this question, and we should try to keep them straight. On one hand there is the question of the weight that a Canadian elector's vote carries in parliament; on the other hand there is the question of a member being able to give service to his constituency. If you look only at the first of these considerations, namely the weight that a Canadian elector's vote carries in parliament, we should have representation by population. The numbers of people in all ridings should be equal. If they are not equal, then those who feel that there are twice as many of them in a constituency as in some other constituencies consider that they are not being adequately represented. But the other consideration is also a very real one. How can a member give service to his constituency if, in order to have the average number of electors in it or the average number of people, it has to be, in terms of square miles, literally an empire?

I suggest that we try and resolve this problem in two ways. On the one hand, let us admit some disparity by letting a figure such as has been suggested be the rule, namely a 20 per cent tolerance up and down which would permit some constituencies to be one and a half times as large as others in terms of population. That is one way of admitting a certain amount of disparity. Another thing we can do—and now I speak as an urban member who cannot make any claim of this kind—is to recognize that members who serve large rural areas have problems of travel and communication that those of us in tightly packed urban areas do not have. I suppose in the light of what happened recently, any talk about extra expense money would not be popular, but should it not be in that area that we try to solve the problem of the member serving the rural area, rather than following a course which would result in urban people feeling that their votes are not as strong as those who live in the rural areas? I have made my case as an urban member for something closer to representation by population, but I say quite frankly that a figure such as a 20 per cent tolerance up and down would, it seems to me, go a good way toward resolving the problem. However, I would propose that consideration be given also to extra travelling and communication expenses for those members in the large rural areas. I think, for example, to go to an extreme case, of the hon. member for Yukon and the hon. member for Northwest Territories. The distance they have to travel is much greater than the size of some provinces.

That may be just a detail, Mr. Chairman, as the Leader of the Opposition said, but it is a pretty important detail. We now have two suggestions coming from the lips of the Leader of the Opposition, either a 33⅓ per cent tolerance, or a 20 per cent tolerance. Perhaps we can indulge in some collective bargaining here in the House of Commons and arrive at a figure between those two, but I am glad the pattern has been set for bringing these things out into the open and discussing them. I am also glad that the pattern has been set for objective, dispassionate and fair discussion of these matters so that we can seek to solve them and do what the Secretary of State hopes, namely to provide the kind of legislation which will not have to be changed every ten years as we go along. That is the story across the years so far. Basic changes in the legislation have been made every time to try to redress grievances and wrongs, or to try to avoid doing wrong to others. This time let us take our time and get the kind of proposals which will provide the greatest amount of fairness.

There was one other detail—we call these matters details, I suppose, to play them in low key, but they are pretty important—to

which the Secretary of State referred, and that concerned the case of Manitoba and Saskatchewan. He indicated that population changes in the last few years have been such that Manitoba now has a greater population by a few thousand than the province of Saskatchewan. At the moment there are 14 members from Manitoba and 17 from Saskatchewan. I am not going to set one of these provinces against the other by any means, but I do suggest that we must make sure that fairness is done between these two provinces. We also have to make sure that fairness is done to both of them in relation to the situation in the rest of Canada. I pride myself on being able to understand legislation and particularly mathematical formulae, but I find it hard to compute what would be the result of the present formula under the British North America Act which, when amended last time, gave Saskatchewan two more seats than otherwise it would have had. What effect that will have if we make no other changes to the B.N.A. Act this time I do not know; but if we make no other changes in the total representation and follow the rules set out in the B.N.A. Act we will still have 265 members. If that results, on the one hand, in Saskatchewan's having more members than Manitoba despite Manitoba's greater population, and on the other hand in both Saskatchewan and Manitoba losing members, despite their increased population, while British Columbia, Alberta, Ontario and Quebec increase their members, it is going to look as though an injustice has been done. I know it can be argued mathematically that they would be getting their proportionate numbers, but the loss of seats just would not do. We have the senatorial floor to protect us, but the senatorial floor is composed only of six members—

**Mr. Pickersgill:** Would the hon. gentleman permit a question?

**Mr. Knowles:** Gladly.

**Mr. Pickersgill:** Is he suggesting that Manitoba and Saskatchewan should have more senators?

**Mr. Knowles:** No. My hon. friend knows that I would reduce the number of senators from Manitoba and Saskatchewan, and from the other eight provinces as well, to zero. What I am leading up to—and I suppose it has to be a member from Manitoba or Saskatchewan who raises this question first—is that we have seriously to consider what the effect of the present rules in the B.N.A. Act will be in terms of the number of members those rules provide for provinces like Manitoba and Saskatchewan.

[Mr. Knowles.]

Returning to where I was before the friendly interruption of the hon. gentleman, if the result is that both of those pretty important provinces in this nation lose seats, and also that the one with the greater population has the lesser number of members, then that really is not producing justice or what would seem to be justice. Therefore, I think that during the course of these discussions we are going to have to trot out into the open the question whether there should be an increase in the number of members in this house in order to keep up the numbers in provinces like Manitoba and Saskatchewan, and perhaps some of the other provinces too. I know there was a story in the newspapers a few days ago which said this should be done, and when the Secretary of State was asked on orders of the day whether there was any foundation to this story he said there was no official foundation. And as far as the legislation before us is concerned, I realize that that is the situation.

I am not at this moment making a partisan case or a Manitoba case out of it, but I suggest that we consider whether or not the number of seats in this house should be increased. In this connection, before anyone thinks that that is an astounding thing to do may I give a few figures to the committee. When parliament was first brought into being in 1867—the parliament of Canada, as it has been known since 1867—we were set up with 181 seats. I have tried to ascertain what the population of Canada was in 1867; it is probably ascertainable but I have not got the figure for that year. However, I have the figure from the census of 1871, when the population of Canada was 3,689,000. Let us take that figure as the population at the beginning of our modern history.

**Mr. Pickersgill:** I was going to say 3.5 million.

**Mr. Knowles:** Roughly 3.5 to 3.6 million, with 181 seats. That means that each member of the House of Commons when parliament first met in 1867 represented approximately 20,000 of population. Our population has gone from less than four million to more than 18 million. It has multiplied more than four times.

**Mr. Pickersgill:** It is 19 million.

**Mr. Knowles:** Someone says it is 19 million; I have missed the news in the last day or so. I am getting figures from all over the place. At any rate, it has increased about five times; yet we have increased the number of seats in the house only from 181 to 265.

May I do another bit of arithmetic. When we carried out the last redistribution in 1952 it was done on the basis of the 1951 census.

The population of Canada, according to that census, was 14 million people. If we divide 14 million by the 265 seats provided then, it works out to a representation of about 58,000 Canadians per member. In other words, between 1867 and 1953, the year of the first election after the last redistribution, the number of people represented by each member increased from 20,000 to something like 58,000. In terms of greater ease of travel and improvement in communications it is not out of the way for us to represent more people than did the first members of parliament, but I think it would not be inappropriate to consider that possibly we are reaching a plateau and should begin to level off. If we were to leave the number of members unchanged and elect again to parliament a total of 265 it would mean that each member would represent more than 70,000 people. On the other hand, if the rumour which appeared in the press a few days ago, or perhaps I should say in the *Globe and Mail*—

**Mr. Pickersgill:** Canadian Press had the story as well.

**Mr. Knowles:** Well, once it is in the *Globe and Mail* the Canadian Press will pick it up, and vice versa. If we were to raise the representation in this house to 283 with a populations of 18 million or 19 million we would still be as individual members, be representing 65,000 or 67,000 people. That is considerably more than we were representing according to the redistribution of 1952, and a great many more than members were representing in the last century. I do not suggest we should stay with the figures of the last century, but I do suggest that the 58,000 to 60,000 level reached after the redistribution of 1952 is a reasonable one and that there is nothing out of the way in suggesting that the number of members in this house be increased by 18 or 20 so that, in the process, the rules which now exist under the British North America Act would not result in provinces whose population has grown being represented by fewer members in parliament. I believe this suggestion should be given consideration.

I know that when this story appeared in the papers some members began to wonder if the number suggested could be accommodated in this chamber. Actually, there are 276 seats in the chamber at the present time—desks and seats. It would not mean many more, and even though I do sit alongside the Conservatives, here at my right, I would not mind if my desk were moved over a couple of inches so that we could get another row in at this end and thus provide ample accommodation. Mind you, after the next election we might not be sitting here; we might be sitting over there on the government side.

**An hon. Member:** A coalition.

**Mr. Knowles:** Oh, no. Anyway that is a problem which could be solved easily by whoever is here after the next election.

We always enjoy discussions about redistribution and what the next election may produce. However, the main thing is for us to look at all the factors involved. Let us look at the various proposals which have been made with regard to an independent commission—whether there should be one or ten. Let us consider what the margin of tolerance should be. Let us consider the question of whether the report of an independent commission should be final or whether provision should be made for review. Let us consider, also, the question of how many members there should be in order to be fair to the country as a whole.

There is one thing on which we seem to be agreed. We have agreed that no longer should the drawing of constituency boundaries be done by a parliamentary committee but that it should be carried out by an independent commission. To have reached agreement in that regard, is good. Now let us have the kind of debate we have had thus far; let us sort out the various proposals and come up with a plan which will not have to be changed. Then let us get on with the job.

I see you are on the edge of your chair, Mr. Chairman. I do not intend to detain the committee much longer. Even though we must give this matter the thorough study it deserves I hope we can deal with it with reasonable expedition. I would say that the Secretary of State set a reasonable goal when he suggested that this measure should be got through before Christmas so that the commission could be set up and a start made. We never know when an election could happen in this country. We have learned that from experience. Let us ensure as far as we can that the next election will be based on a redistribution according to the 1961 census. The 1945 parliamentary elections were held on a redistribution based on the 1931 census which was completely outdated. In 1963 we had an election on a redistribution based on the 1951 census and that, too, was outdated. Let us not have another election in the 'sixties based on the 1951 census. Let us have it on the basis of the 1961 census. I think that by proper expedition we can achieve that object.

I am glad the Secretary of State has made it clear that when we have the bills before us the details can be changed without there being any question of want of confidence in the government. Let us discuss this matter in a spirit of collective bargaining and come up with decisions which will stand the test of time. Let us turn the debate on redistribution

from the sorry chapters there have been in the past to an occasion which will add greatness to our parliamentary institution.

**Mr. Patterson:** Mr. Chairman, we welcome the opportunity presented to us at this time to discuss some of the matters which are of such vital interest and concern to us, as they relate to our electoral system.

As in many other fields of national concern it seems we have been very slow to effect the changes which are needed so as to eliminate some of the inadequacies apparent in our electoral system in Canada. From time to time certain changes have been made, but it would appear they have been made, not on the basis of principle but on the basis of expediency and political considerations. It would seem to me the time has come—and this view has been expressed by previous speakers—when we should take a good look at the whole situation and endeavour to make those changes which will be to the advantage not only of parliamentarians but of Canadians as a whole.

For these reasons, we welcome the introduction of these particular measures. We believe they will have a beneficial effect upon our parliamentary system. On a number of occasions various aspects of this question have been debated in the house, but unfortunately they were discussed at times when there was little possibility of the house reaching any decisions with regard to them. Now that these matters have been presented to us for consideration we trust that the fullest consideration will be given to every consideration put forward. We hope that those suggestions which are worth while will be incorporated in the measures and that those which are not important will be sifted out and cast aside.

We are, of course, aware of the fact that this problem has been occupying the attention not only of those who sit in this house but of many other agencies across the country. For instance, our attention was directed some time ago to certain recommendations of the federation of mayors and municipalities. Even though we might not be able to support all those recommendations, the federation has brought to our attention one of the basic problems which has been referred to tonight, the achievement of fair representation according to population. I think we all agree these are problems that must not only be recognized but met. I believe the Secretary of State characterized this matter as one of the most important issues that could occupy our attention at this time, and with that I agree.

The problem has perhaps been caused by the wholesale shifting in population from area to area which has seen a tremendous concentration of population in certain sections and at the same time has resulted, of course, in a diminishing of population in other sections, notably the rural areas. The matter of geographical areas has also been referred to tonight. In my view this is a very important consideration, because of the fact that a member of parliament can only cover adequately a certain area and fulfil his responsibility to a certain number of people.

Another important factor is the availability of the member to his constituents. Not only must he be able to get around and see them at certain times or so many times in the course of a year, but those who have problems must be able to get to their member and we recognize that he must be accessible to them at such times. We think also of the industrial and social considerations that enter into the whole problem and the serious imbalance that now exists in representation. All these problems have been covered in the discussion today. I believe they are very serious considerations and we must give them our attention.

On October 12, 1962 the hon. member for Port Arthur brought in a private member's bill regarding redistribution. He pointed out a number of these problems, made certain deductions and arrived at certain conclusions. On that occasion as well as others we have had the opportunity to face up to some of the problems that confront us.

I suppose a completely satisfactory and equitable solution will not be possible in every instance, but we must make a sincere and concerted effort to resolve as many problems as we possibly can so that, as has been pointed out tonight, it will not be necessary within a very short time to make any fundamental or basic changes in the legislation. The measures that are before us are designed to solve some of the problems in order to make our electoral system conform more to present day requirements.

Words of commendation have been uttered with regard to the chief electoral officer for the work he has done during past years. We in this group would like to concur in those words of appreciation and commendation, because we believe he has fulfilled in a wonderful way the responsibilities that have devolved upon him in that office. The suggestions we have before us tonight are perhaps based to a considerable degree upon recommendations and suggestions he has made following his extensive study of the various problems. The fact that he has had the opportunity of discussing these problems in other countries, and looking at their problems and the way in which they have endeavoured to solve them, has no doubt had a real influence upon his own thinking in this regard. I am sure we are indebted to the chief electoral officer for what he has done in respect of these matters.

If I may deal with some of the issues that have been raised tonight, the fact that we are being asked to appoint a representation commissioner and subsequently a commission indicates a recognition that certain things should be above partisan politics, and surely this is one area in which this must be true. As has been indicated, no doubt in the past some decisions have been based upon political considerations rather than upon a sincere endeavour to resolve the problems and work out the boundary lines between constituencies on an equitable basis. But we believe that by appointing an independent commission we will go far toward removing that rather obnoxious element from redistribution.

The question of the necessity of a full time representation commissioner has been raised. Perhaps it has not been raised in the debate thus far, but it certainly has in various private discussions that have been held. We have been wondering whether it is absolutely necessary that such a commissioner be appointed. We have already paid tribute to the work that has been done by the chief electoral officer and it might be in order to suggest that we should consider whether the duties of the representation commissioner could not be combined with those of the chief electoral officer, and his staff possibly expanded. It appears that there could be a duplication of activities between the chief electoral officer and the representation commissioner and perhaps this could be avoided by adding to the staff of the chief electoral officer and allowing him to discharge the responsibilities of the two offices. I am not making a definite recommendation but simply suggesting this as something that could be given consideration.

Another question raised tonight concerns the advisability of having ten commissions rather than having one, or four, as previously suggested. I must admit that formerly I have viewed the idea of possibly four commissions as being practical and desirable, but in the way that the suggestion of ten commissions has been put before us I can definitely see that there are advantages. For one thing, it will save time and I believe this is a very important consideration. We heard this afternoon that the appointment of one commission would result in the postponement until possibly 1968 of any election that could be held based upon the new redistribution. Even if four commissions were appointed I suppose it would take a considerable length of time. However, ten commissions should be able to proceed with their task with dispatch and complete their work in a much shorter period of time.

I believe the Secretary of State pointed out that having ten commissions would not involve any substantial additional expenditure because in all probability the commissioners would be paid on a per diem basis, but as they would be called on to serve for a shorter period of time it would simply mean that the cost would be spread over a greater number of people. The fact that the commissioners will in all probability be chosen from their respective provinces is also an important consideration. If one commission were appointed with members from all parts of the country from coast to coast, the commissioners would have to spend much more time acquainting themselves with the provincial and local area situations; but by having one commission for each province the commissioners will be more aware of the problems in their own provinces. Therefore, speaking personally and also, I think, for our group, I can say that we look with favour upon the proposal to have ten commissions, rather than one or four as previously suggested.

We appreciate the fact that parliamentary responsibility is being maintained, even although the independent commission is doing the work of redrawing the boundary lines. On the other occasion to which I referred, when the hon. member for Port Arthur was speaking on this matter, he pressed the idea of a completely independent board. I feel that there should be some responsibility to parliament in this respect so far as these commissions are concerned. It would seem to me to be a repudiation of responsibility were we to turn this work over completely to an independent commission, without any review of it here in this house. We trust that when any measure is brought before us adequate provision will be made for a thorough analysis and study of the recommendations, and every opportunity given to voice opinions in this particular respect.

Now, Mr. Chairman, the various matters have been covered very thoroughly today. The speakers have gone into a great deal of history, given historical reviews and quoted from speakers of bygone days. I do not propose to do that, because there has been sufficient placed on the record in regard to these matters.

However, I should like to refer to the suggestion made by the hon. member for Winnipeg North Centre to the effect that it would not be such a bad idea if we were to increase the membership of this house rather than reduce the representation of some provinces. By the way, in passing, I should like to say that I hope when the Secretary of State referred to the fact that British Columbia was under-represented at the present time he meant it as far as numbers were concerned,

and not as far as quality was concerned. As to the increase in membership of this house, I do not know whether or not that would be desirable. We have 265 members here, and there are 102 members in the other place. We have ten provincial legislatures with varying numbers. We have our municipal governments; and it would almost seem to me that Canada is pretty well governed so far as numbers and so far as agencies are concerned. I do not know, therefore, if the suggestion should be taken too seriously. Certainly, consideration should be given to it, but I think possibly we should look at it from the other point of view and discover whether or not it would be in the best interest of the nation to increase the membership in this parliament.

With these observations, Mr. Chairman, I will leave this matter. No doubt other members of this group will be participating in the debate. They certainly will when we come to debate the various items in the bill that will be presented after this resolution.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, I find that the resolution before us implies various things, and I shall deal with them as they come to my mind.

There has been talk of increasing the number of members in the house. Well, when I see all those empty desks—more particularly on the Liberal side of the house, where several members are missing—I think that an increase in number would not mean more members in this house.

Mr. Chairman, my remarks seem to worry my Liberal friends. Well, I would tell them that, instead of increasing the number of ridings, there should be an increase in the number of those sitting here.

**An hon. Member:** Where is the hon. member for Villeneuve?

**Mr. Gregoire:** Look on your side. Nothing hurts like the truth. Look on your side, and you will see that several are missing.

Mr. Chairman, I see that a few Liberal members are coming back. But, out of a total of 130, there are scarcely 25 Liberals in the house at this time.

**An hon. Member:** Where is the hon. member for Villeneuve?

**Mr. Gregoire:** The hon. member for Villeneuve is always here.

**Mr. Caouette:** He is behind the curtain, here.

**Mr. Gregoire:** Mr. Chairman, there is now a total of 130 Liberal members, but many only rise once a year. Several do absolutely nothing. Now, if the number of naughts is increased, what difference will it make?

[Mr. Patterson.]

**An hon. Member:** There will be more "Caouettistes".

**Mr. Gregoire:** You are absolutely right. When the next general election comes around, there will be more Caouettistes in this house.

Mr. Chairman, how can we think of increasing the number of members when so many of them are completely useless.

We should start by having elected to this house people who are interested in public business and who will look after the interests of their constituents.

**An hon. Member:** Where are all your members?

**Mr. Gregoire:** Mr. Chairman, I see that the young backbenchers of the Liberal party have yet not renounced their little game of interrupting. I know that nothing hurts like the truth, but never mind. It is a good thing from time to time to spread truth around, and we do not feel shy about it.

Mr. Chairman, I would absolutely oppose any increase in the number of members if they were all like the hon. member for Mercier (Mr. Boulanger) who never takes the floor but spends his time interrupting.

On the other hand, if an increase in the number of members did not impede the business of the house, but would prevent us from wasting our time as we are doing now, I would be in favour of such an increase.

In fact, at present, with 265 members, we are not even able to pass the necessary legislation within the allotted time. That is one of the reasons why I am against an increase in the size of the house.

It is true, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, that in 1867, each member represented 20,000 people, while in 1951, there was one member for 58,000 Canadians. Under the present bill, one member would represent 70,000 people.

Mr. Chairman, let us not forget that nowadays means of transportation and communication are much quicker than they were in days gone by.

In fact, it is much easier nowadays than in 1867, 1925 or even 1930 for the hon. member for Winnipeg North Centre to go in his riding and meet his voters during a week end.

Mr. Chairman, I am of the opinion that if a member is elected for a certain number of voters, the number of problems to be settled will increase, because it has been noted that most of the problems to be solved by hon. members for their voters come from vexatious interference from government officials. It is not that government officials are wicked. No. But as I said before, because of the great number of complicated acts that they must apply, they are quite difficult to deal with.

Most of the problems that members of this house have to deal with, on behalf of their constituents, result from government and bureaucratic red tape concerning the administration of very complicated legislation such as, for instance, the Unemployment Insurance Act and, more especially, the Income Tax Act.

Indeed, Mr. Chairman, numerous problems are raised by income tax officials who take it upon themselves to cut down, without making any investigation and in an arbitrary and discriminatory fashion, charitable donations receipts to be used for income tax deductions. Consequently, if we are to represent 70,000 voters instead of 20,000, that, for us, will mean more cases to deal with. And I say again that such a situation is due to the fact that government officials have to apply vexatious laws.

If, instead of increasing the number of members, we were given more help to settle those matters, I think the problem would be solved. As a matter of fact, I would suggest that the number of senators be reduced instead.

**Mr. Knowles:** To none.

**Mr. Gregoire:** I notice that the hon. member for Mercier is leaving the house; he realizes that his next job is disappearing.

Mr. Chairman, I would like to deal with another problem tonight: that of the independent commission that will look after this redistribution.

In fact, we are in favour of the setting up of an independent commission that would look after the redistribution and we support that plan. However, that commission should be really independent. But who would appoint the commissioners? Would it be only the Secretary of State (Mr. Pickersgill) who would appoint some friends of the government?

Before agreeing to the principle of an independent commission, we must decide that it will be really independent and that its members will be chosen by the five political parties in the house. Then we will be sure that commission will be truly independent.

We are told: The returning officers in the various ridings must be independent. But they are appointed by the party in power about every ten years or even more often. Sure, they are independent, but there is nothing to prevent them from leaning on one side more than on the other, and they will tend to lean towards the party that appointed them rather than towards the others.

The chief returning officer of an electoral district, even if he is supposed to be independent, is still appointed by the party in office and often, since the law gives him some leeway, he will use it to favour the party that appointed him rather than the others.

I feel it is essential that the commissioners be appointed by the five political parties represented in this house.

I should now like to deal with the most important problem to which this resolution will give rise, and that is: how many ridings will there be? What provinces are going to lose some and what provinces are going to gain some?

A study has been made, and I have here a few figures showing that Canada has a population of 18,238,247. If you leave out the ten ridings in New Brunswick, which must remain unchanged, the four ridings in Prince Edward Island, the one in Yukon and the other in the Northwest Territories, which make 16, there is left a total of 249 ridings. The population of those 16 counties being 740,191, there are 17,498,056 inhabitants left in the other ridings, or an average of 70,842 people for each of the 249 remaining ridings.

According to the predictions I have here, the number of ridings should be reduced from 265 to 264; the province of Quebec would have 74 seats instead of 75, other provinces would lose seats, the number of seats in Ontario would increase from 85 to 88, other provinces would gain seats: British Columbia would gain 1, Alberta 2, and Saskatchewan would lose 4.

**An hon. Member:** Three.

**Mr. Gregoire:** The number of seats in Saskatchewan would decrease from 17 to 13, according to the figures I have here.

It seems that a socialist administration is not too beneficial for Saskatchewan since this is the province with the highest decrease in population. By the way, this is not a recommendation for a socialist government.

[*Text*]

**Mr. Knowles:** They have gone as missionaries to other parts of the country.

**Mr. Gregoire:** With the system under which they live in that province they would like to go and live where they can have freedom and security.

**Mr. Caouette:** In the province of Quebec.

[*Translation*]

**Mr. Gregoire:** Mr. Chairman, in the province of Quebec, one of the main arguments put forward by the separatists is the following: "As things are going now, they say, before the year two thousand, instead of having 75 representatives in Ottawa out of 265, this province will only have half of this number and this means that French Canadians will

be represented in this house not by 34 or 35 per cent of the members, but only by 18, 15 or even 12 per cent.

It must be recognized, however, that the percentage of French Canadians will not decrease in the province of Quebec, but we will lose some representatives in the House of Commons. This is one of the most important arguments set forth by the protagonists of separatism.

Mr. Chairman, I have a suggestion to make to the Secretary of State which, I think, he should take into consideration. It is admitted that for New Brunswick, the number of members should not be less than ten; for Prince Edward Island, it should not be less than four.

I submit then, keeping the number of 265 members for Canada, that the province of Quebec should never have less than 75 members.

This would eliminate one of the main arguments of the protagonists of the separatist doctrine in the province of Quebec. It would also guarantee to French Canadians who view this problem with alarm that they will always have adequate representation in the House of Commons, even if their ratio decreases compared to Canada as a whole.

Following immigration, our group represents a lesser percentage of the over-all population because immigrants are more easily assimilated by English speaking Canada than by French speaking Canada.

We have nothing against that. It is not the fault of English Canadians if immigrants join their ranks rather than ours. It is our fault and we must take the blame when we deserve it.

However, I feel that we must ensure that French Canadians are adequately represented in the House of Commons. I would, therefore, suggest that the province of Quebec should never have less than 75 members out of a total of 265 or similar representation if there are more or less than 265 members in the house.

I know that Quebec will also elect English speaking members as is the case at present for the Minister of Industry and Defence Production—

**An hon. Member:** Peacetime production.

**Mr. Gregoire:** —whose competence honours his province. Forgive me, I meant the minister of peacetime defence production whose competence is the pride of Quebec. We are glad that the English speaking citizens of Quebec have elected such a representative. We feel that English Canadians who live in our province must also be represented in the house. As I say, we are glad to see that the English element of the province of Quebec has sent to the house such a qualified representative.

But we feel that—

**Mr. Pigeon:** I should like to put a question to the hon. member for Lapointe. Has he got a favour to ask of the Minister of Industry.

**Mr. Gregoire:** Mr. Chairman, Pascal said that he who is evil sees evil everywhere.

**Mr. Pigeon:** Quite appropriate for the hon. member for Lapointe.

**Mr. Gregoire:** The hon. member for Joliette-L'Assomption-Montcalm thinks only in terms of patronage which, as I know, is far from being the case for the other member I am speaking of.

Mr. Chairman, it is true that some English speaking members from the province of Quebec will come to Ottawa. We do not object to that. But in the province of Quebec, the percentage of French Canadians has not come down. It holds up regularly. I think that if we accept as an absolute policy that the percentage of members coming from the province of Quebec to Ottawa will always remain unchanged, we will put an end to one of the greatest fears of the French Canadians in the province of Quebec and even throughout the country.

I think that at this time, when there is so much talk about biculturalism and bilingualism—as far as I am concerned, I see biculturalism as a system allowing two cultures to develop—if we really wish to have biculturalism, we should take an opportunity such as this to put into the statutes of Canada a provision to the effect that the French Canadians will always be adequately represented in the House of Commons at Ottawa.

If 35 or 40 years from now we should make up only 10 per cent of the population and have by then only 10 per cent of the members in the House of Commons we would then have to confess that we failed to provide today for future generations. I believe that we should see to it now that the French Canadians will forever be present in sufficient numbers in this house.

We make this suggestion to the Secretary of State in the hope that he will consider it earnestly in the drafting of the bill.

If I may, I would like to mention a fact which shows that this suggestion has already been carried out in the province of Quebec, where we maintain that the English Canadian minorities receive very fair treatment. I do not remember in what year the Quebec legislature determined the number of counties, but they determined that number so as to safeguard the English Canadian

minorities' rights, and more particularly so in the eastern townships, where they gave those counties the assurance that they would continue to exist even if there were disproportion as far as the number of their electors is concerned. That is the reason why we have those small counties like Brome-Missisquoi, Compton, Shefford and Stanstead in the provincial field. The existence of those counties was respected by the provincial government. Why? When the Quebec legislature ordered a redistribution, it wanted to guarantee an adequate representation of English minorities in the province, by leaving them some counties which, today, are represented only by a minimum of voters.

In my opinion, Mr. Chairman, the same thing can be done at the federal level, since we in the province of Quebec have been able to guarantee to English Canadians an adequate representation at the provincial legislative assembly. I am of the opinion that the federal government ought to adopt the same policy towards the French Canadian minority in the province of Quebec and guarantee the existence of a certain number of ridings in order to enable French Canadians to claim their rights in the house at any time in the future.

That would set a tremendous example for future generations, as far as the right of the French Canadian nation to have an adequate representation in parliament is concerned.

Moreover, it is already done for some provinces. For instance, Prince Edward Island, with a population of 104,629 has four guaranteed ridings, which gives an average of 26,000 people per riding, when the other ridings in Canada have an average of 70,842 people, according to the last census. We uphold this principle and what applies to Prince Edward Island should also apply to the province of Quebec.



Mr. Chairman, may I call it ten o'clock?

[*Text*]

**Mr. Pickersgill:** Mr. Chairman, would the hon. member consider concluding his speech so that the bill could be reached, because there would still be an opportunity to speak on the bill.

**Mr. Gregoire:** I would say to the Secretary of State that if I am the last person to speak on the resolution, I will agree; but if I am not the last to speak on the resolution, I object.

**Mr. Pigeon:** Mr. Chairman, there are a few hon. members on this side of the chamber who wish to speak.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** Mr. Speaker, I assume that the order of business is the same for tomorrow as it was today?

**Mr. Pickersgill:** Yes, Mr. Speaker. We will go on with this resolution and if we should conclude it, as I hope we will, before six o'clock, we could perhaps use the rest of the time on the Canadian overseas telecommunications measure which is nearly through the house, and any of the other items with which the Minister of Transport is concerned. There is the minister's resolution on the order paper in connection with the Aeronautics Act.

**Mr. Knowles:** Do the items announced for Thursday and Friday still stand?

**Mr. Pickersgill:** For Thursday, quite definitely. I may wish to speak to hon. gentlemen tomorrow about Friday.

At ten o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Wednesday, November 27, 1963**

The house met at 2.30 p.m.

## STANDING ORDERS

CONCURRENCE IN SECOND AND THIRD REPORTS OF STANDING COMMITTEE

**Mr. Robert Temple (Hastings South)** presented the second and third reports of the standing committee on standing orders, and moved that the reports be concurred in.

Motion agreed to.

## PRIVILEGE

MR. FISHER—REPORTED STATEMENT BY MINISTER OF AGRICULTURE

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I wish to raise a question of privilege. I would have preferred to do so when the Minister of Agriculture was in the house, since it involves a statement he made. I had better put on the record the statement he made, apparently in an interview, which appeared in the Edmonton *Journal* of Monday, November 25, 1963. This is what I take exception to, and I want to make a statement on it. He is reported as having said:

Douglas Fisher, he's a kind of odd duck.

**Some hon. Members:** Oh, oh.

**Mr. Fisher:** I appreciated that the Minister of Agriculture took a metaphor from his own field. Then he went on to say:

Three times he didn't have enough guts to stand up and vote.

I want to raise a question of privilege in order to put it to the house that if the Minister of Agriculture is using the term "guts" in the sense I think he is, that is, courage, I have the right to say that if I did not vote, I was in the house and it was not a question of lack of courage.

**Mr. Byrne:** What was it?

**Mr. Pigeon:** We will auction the minister.

MR. CAOUETTE—REPORTED ULTIMATUM BY PREMIER OF QUEBEC

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, as we are now on motions and in view of the national importance attached to the federal-provincial conference, I take the liberty of rising on a question of privilege and bringing to the attention of the house the following motion:

I move, seconded by Mr. Gilles Gregoire, member for Lapointe, that this house express the wish that the requests, even the ultimatum, of the Hon. Jean Lesage, premier of Quebec, for better tax sharing as well as for participation of the provinces in the development of monetary policy in Canada, be approved to enable all provinces to be in a better position to meet their responsibilities through decentralization.

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I do not feel it is in order at this time to consider either as a question of privilege or a point of order the motion moved by the hon. member, because his motion is clearly out of order.

It is out of order first because the statements made by the Prime Minister and the federal government have not been made public—except for press releases—and I am about to table those documents.

This motion is also out of order because the statements made by the premier of Quebec this morning were certainly not in the nature of an ultimatum; on the contrary, they constituted a clear account of the policy of his government.

It is completely out of order for an hon. member to introduce a motion concerning a proposal which is under consideration. As far as this motion is concerned, it is obviously out of order since the federal-provincial conference is not yet over.

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a point of order.

[*Text*]

**Mr. Speaker:** I think I can handle this matter myself.

**Some hon. Members:** Hear, hear.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I rise on a point of order.

[*Text*]

**Mr. Speaker:** Order, please. My task is to find whether there is a prima facie case of privilege, and I see no point of privilege in this on at least one ground, besides many others. This is in the nature of a substantive motion which requires notice. No notice has been given under our rules; therefore on that point it is out of order. On the other point, I do not see a prima facie case of privilege; therefore I must reject it.

*Question of Privilege*

MR. CAOUETTE—REMARK IN DEBATE BY MEMBER FOR WINNIPEG NORTH CENTRE

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, I rise on a question of privilege. Yesterday afternoon when the hon. member for Winnipeg North Centre (Mr. Knowles) delivered his speech, he stated, as reported on page 5415 of *Hansard* for yesterday:

[*Text*]

My hon. friend from Villeneuve is interjecting. I happened to notice his name in one of these *Hansard* volumes, when he was here before as the hon. member for Pontiac, and I find that on one occasion he too voted against redistribution by an independent commission.

[*Translation*]

Mr. Speaker, I want to set the record straight by referring to page 697 of *Hansard* for February 24, 1947, when I stated, following the amendment introduced by the hon. member for Winnipeg North Centre—

**Mr. Speaker:** Order please.

[*Text*]

I regret I have to interrupt the hon. member, but this is a matter which could be dealt with on the orders of the day rather than at this time, or else it is in the nature of an explanation which could better be made in the committee of the whole. I suggest to the hon. member that he reserve his explanation for the committee of the whole, at which time he will have ample opportunity to make it, rather than continue on motions.

## DOMINION-PROVINCIAL CONFERENCE

TABLING OF SUBMISSIONS PRESENTED BY DELEGATIONS

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I would like to table copies of the submissions presented by the federal and provincial delegations to the federal-provincial conference which opened on November 26.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I wonder if the Acting Prime Minister would care to move that the documents relating to the federal-provincial submissions be printed in *Hansard* for the convenience of hon. members. Would that be possible?

**Mr. Chevrier:** Mr. Speaker, I must bring to the attention of the house that there are many hundreds of pages in these briefs, and I do not think it would be possible to get *Hansard* at the usual time tomorrow if this were done. In fact I think it would take quite some time before it could be done even in a separate *Hansard*. What I would suggest, if it has the approval of the house, is that I will endeavour to get copies from the secretariat as quickly as possible so that hon. members may have them in their possession.

## EMERGENCY GOLD MINING ASSISTANCE

ANNOUNCEMENT OF EXTENSION OF LEGISLATION FOR FURTHER FOUR YEARS

**Hon. W. M. Benidickson (Minister of Mines and Technical Surveys):** Mr. Speaker, with the permission of the house I would like to make a brief statement with regard to the Emergency Gold Mining Assistance Act, which expires at the end of this 1963 calendar year.

Representations have been received recently by the government from municipal authorities of the affected gold mining communities and from representatives of the gold mine operators setting forth the continuing need of assistance to the industry. The government has decided to ask parliament to extend the act to prevent the hardship to dependent communities which would result from the abrupt closure of a substantial number of gold mines.

In order that the industry may have as much notice as possible of the terms under which assistance will be paid, I wish to announce that the government will introduce legislation shortly, effective as from January 1 next, extending the application of the act for a period of another four years without change in the present formula for computing the amount of assistance payable.

The amending legislation will also provide for a restriction on the amounts of assistance payable to any new lode gold mines commencing production after June 30, 1965. Lode gold mines brought into operation after that date will be eligible for assistance only if the mine provides direct support to an existing gold mining community. A gold mine will be deemed to provide such support if the majority of the persons employed at the mine reside in one or more of a number of gold mining communities which will be specified.

The purpose of the restriction is to prevent the establishment of new gold mining communities which would be dependent upon government assistance from the outset and which would add to existing social problems. The restriction will not affect those gold mines which are now in operation with respect to eligibility for assistance payments now or in the future. The restriction will not apply to placer mines. The date upon which the restriction will become effective has been set at July 1, 1965, in order that these new lode gold mines which are currently under development will have a reasonable opportunity to qualify for assistance.

In conclusion may I express the belief that the extension of the act will assist the gold mining industry to meet its special difficulties, and by extending the operation of many gold mines will enable them to continue support of their dependent communities.

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I think there will be general satisfaction among the gold mining communities of Canada at the announcement of the minister indicating the decision of the government to seek the further extension for four years of the present cost-aid formula. The house will recall that this formula was devised in its present form in 1958 by the previous Conservative administration, and generally speaking it has provided for a very considerable sector of the gold mining industry the kind of assistance that was necessary and continues to be necessary in order to keep these mines in operation and retain in a viable condition a very vital industry of Canada.

I did not have previous notice of this announcement and I have not studied the possible implications of the new formula as it will affect new mines. I hope it proves to be a workable formula and will not prejudice small mining operations. In that connection it will be essential to study very closely the restrictions the minister has indicated. In particular I would like to have a great deal of information with regard to the manner in which communities or mines that will be eligible for this new assistance will be selected. There is something in the form of the announcement of the minister that could give rise to quite a bit of anxiety among gold mining communities in this regard.

I am happy to note that the minister has received favourably the submissions which were placed before him, and particularly the submission which was made by the gold mining communities just a few weeks ago. In that submission a request was made for the continuation of the present formula, that is to say the Fleming formula of 1958.

I am glad the government has acceded to this particular request; but I think it is now time, and more than time, for the government to consider this whole question of the gold mining industry in Canada and to take a very positive step, not only in ensuring the continuance in operation of the gold producing mines for some time yet, but to further develop this very vital industry for Canada. I think the government should communicate with the international monetary fund authorities to see what co-operation or interest is shown there to the possible increase in the world price of gold. In the final analysis the future of not only the gold mining industry but of the entire mining industry of Canada lies in this area. Very responsible and competent mining and financial authorities in Canada and outside Canada have requested that the government look into this facet of the needs of the gold mining industry. I think now is the time to go ahead and initiate certain negotiations in that respect.

In conclusion I wish to say that we on this side of the house will be studying with very much interest the details of the announcement, and we look forward to the early submission to this house of legislation which will give effect to the announcement made by the minister this afternoon.

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I suppose I should start off by doing what the previous speaker did and saying that the legislation was originally passed by a Liberal administration. I am sure my hon. friends on the other side appreciate that.

There is always a fundamental contradiction, when we deal with this particular matter, between a government subsidy of a fairly open, even crass kind such as this and the free enterprise ethos of the men who promote the mine. I do not suppose any of us need remind ourselves that the reason for the subsidy really relates not to an attempt to protect the promoters or the shareholders but to an attempt to protect communities. That is why the qualification which the minister indicated is going to be introduced is important and interesting. I am sure it will raise in mining circles a tremendous amount of discussion. I can already foresee some of the arguments, particularly in a case where a mine may start off by having quality ore and not needing a subsidy, but as its reserves dwindle or the venture moves into new ground it reaches the position where it will qualify. I am sure that type of discussion will be held in mining circles.

We welcome the announcement, Mr. Speaker, remembering always that we still feel somewhat uncomfortable about a subsidy which buttresses communities but at the same time happens to buttress the private enterprises which are often entered into by people who are very much aware that a government subsidy is involved. This points up one of the contradictions we are always encountering in the Canadian political scene, and I think it is worth while reminding free enterprisers of them.

**Mr. Bert Leboe (Cariboo):** Mr. Speaker, I should like to say on behalf of the gold mining industry in the province of British Columbia, and particularly the constituency of Cariboo, that we welcome the extension of this assistance program. However, we believe

whether it was instigated by a Liberal government or a Conservative government is not a question that should be continually tossed around in this house. I think the time has come when we have to face the fact that we have a job to do, and that we should get on with that job. I thank the minister for his announcement.

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, the announcement just made by the Minister of Mines and Technical Surveys (Mr. Benidickson) that the government will continue to pay grants to gold mines, affects very closely the area I represent in this house.

There is one suggestion however that I should like to make to the minister. In my opinion, he should consider increasing the price of gold as an incentive to this industry to develop a great number of new mines, not only in our area, but also in all parts of Canada where there are gold mines.

In the Villeneuve riding large amounts of money are paid to the gold mines in the Val d'Or and Malartic area. Yet, the miners of Val d'Or and Malartic get much lower salaries than those in the Noranda, Temiscamingue and Timmins areas, as well as other communities of northern Ontario.

Since grants are paid provided that certain requirements are fulfilled I think that the factor of miners' salary should be taken into consideration, when such grants are paid to mines in our area. Finally, we should not only endeavour to maintain gold production, but also to provide miners with living conditions which will enable them to improve their lot and to bring it up to the level of that of our fellow citizens working in other Canadian industries.

[*Text*]

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### BAGOTVILLE AIR CRASH—TRANSPORT DEPARTMENT INQUIRY

*Question No. 1,239*—**Mr. Bell:**

What was the assessment of responsibility in the Bagotville air crash on October 11, 1962 in the inquiry of the Department of Transport?

**Mr. McIlraith:** The Department of Transport does not assess responsibility, and this matter is before the courts.

### BAGOTVILLE AIR CRASH—DEFENCE DEPARTMENT INQUIRY

*Question No. 1,240*—**Mr. Bell:**

What was the assessment of responsibility in the Bagotville air crash on October 11, 1962 in the inquiry of the Department of National Defence?

[Mr. Leboe.]

**Answer:** In view of litigation recently commenced, it would not be in the public interest to answer this question at this time.

### FEDERAL EMPLOYEES EARNING $12,000 OR MORE

*Question No. 1,344*—**Mr. Rheaume:**

1. How many persons employed by the federal government, including the armed forces and the R.C.M.P., earn $12,000 or more annually, shown by department or agency?
2. Of the above employees, how many, during the past two fiscal years, have submitted expense accounts for travel, removal, accommodation, entertainment or miscellaneous expenditures totalling $6,000 per year or more?
3. Does the information contained in part 2 above include such expenditures as telephone and telegram charges, memberships in professional or business associations?

**Mr. Benson:** 1. 2,443.

2. During the fiscal years 1961-62 and 1962-63, 182 of those included in the 2,443 mentioned in (1) submitted expense accounts or received reimbursement for expenditures by means of allowances, amounting to $6,000 or more in at least one of these years.

3. It includes telephone and telegram charges incurred while away from headquarters, and certain membership costs for persons posted outside Canada.

### *MANUFACTURE IN QUEBEC OF AIRCRAFT AND ENGINES

*Question No. 1,359*—**Mr. Côté (Chicoutimi):**

1. Has a contract or agreement been signed to permit the manufacture at Longueuil, Quebec, of Pratt and Whitney engines for installation in the French made Potez aircraft and, if so (a) when was such contract signed (b) what are the details of the contract?
2. Is the Minister of Transport engaged in any negotiations relating to the acquisition by T.C.A. of Caravelle aircraft and their manufacture by Canadair Ltd., at St. Laurent, Quebec and if so (a) have negotiations reached the contract stage (b) when is it expected that such a contract will be signed?

[*Translation*]

**Mr. Cantin:** 1. There has been an exchange of letters of intent between United Aircraft of Canada Limited and Etablissement Henry Potez.

(a) The letter of intent is dated October 14, 1963.

(b) Since it will be a commercial contract passed between the two companies, particulars are considered of a private character and cannot be made public without the consent of the parties concerned.

2. The announcement made by T.C.A. on Friday, November 22, 1963, contains the answer to this part of the question.

[*Text*]

C.N.R. TRUCKING POLICY

*Question No. 1,544*—**Mr. Laprise:**

1. To what degree, if any, does the Canadian National Railways intend to enter into competition with the trucking industry in the field of road transport in Canada?

2. Is it Canadian National Railways' policy to provide its own trailers to certain private trucking concerns and, if so, what qualifications must a firm possess to take advantage of such assistance?

[*Translation*]

**Mr. Cantin:** The management of Canadian National Railways advise as follows: 1. The company's trucking policy was given in a statement by the president at the sessional committee meetings held in June 1961 and November 1962. Reference thereto is made on page 260 and page 93 of the 1961 and 1962 evidence respectively. Stated briefly, the Canadian National is making a strenuous effort to meet the problem of erosion of its share of the transportation market.

2. In order to improve service to its customers, Canadian National will enter into agreements with duly licensed private trucking concerns to haul its merchandise laden trailers, but only after proper authority has been granted by provincial regulatory boards.

[*Text*]

PROSTHETIC SERVICES, D.V.A.

*Question No. 1,568*—**Mr. Matheson:**

1. What variety of prosthetic services are supplied by the Department of Veterans Affairs?

2. How many service centres are presently operated for disabled veterans, and where are these located?

3. How many fittings were provided to (a) veterans, and (b) others, in each of the years 1950, 1960 and 1962?

4. Under what circumstances and terms are prosthetic services available to the non-veteran public?

5. Has consideration or study been given to the feasibility of transferring these facilities to the Department of National Health and Welfare or some agency capable of providing prosthetic services to all the Canadian disabled?

**Answer:** 1. Services supplied to veterans and others, by the Department of Veterans Affairs, are prosthetic and orthoptic appliances, as follows:

(a) Artificial limbs, arms and legs; (b) Appliances and accessories, hearing aids, belts and trusses, braces and splints, elastic hosiery, stump socks, wheelchairs, various related accessories; (c) footwear, orthopaedic boots, and modifications to boots; (d) ophthalmic, eyes—plastic and glass, glasses, miscellaneous, magnifying reading glasses, facial masks.

2. The Department of Veterans Affairs has at present in operation for disabled veterans 12 service centres located at Camp Hill hospital, Halifax, Nova Scotia; Lancaster hospital, Saint John, New Brunswick; Queen Mary Veterans hospital, Montreal, Quebec; Defence Medical Centre, Ottawa, Ontario; Sunnybrook hospital, Toronto, Ontario; Westminster hospital, London, Ontario; Deer Lodge hospital, Winnipeg, Manitoba; Motherwell Building, Regina, Saskatchewan; Colonel Belcher hospital, Calgary, Alberta; Shaughnessy hospital, Vancouver, British Columbia; Veterans hospital, Victoria, British Columbia; University hospital, Colonel Mewburn pavilion, Edmonton, Alberta.

3. (a) 1950, 17,758; 1960, 22,839; 1962, 24,412. (b) 1950, 3,019; 1960, 3,969; 1962, 3,850.

These figures may not be completely accurate as the records for the year 1950 are not entirely reliable.

4. The circumstances and terms under which prosthetic services are available to non-veterans are as follows:

(a) Supply of appliances is made to serving members of the armed forces on presentation of a medical prescription under section 18 of the veterans treatment regulations; (b) Supply of appliances is made to members of the Royal Canadian Mounted Police on receipt of a medical prescription under section 19 of the veterans treatment regulations; (c) Under section 20 of the veterans treatment regulations, at the request and expense of a provincial workmen's compensation board, Saskatchewan branch of the Canadian Red Cross Society, the War Amputations of Canada, the Canadian Paraplegic Society, and any other organization designated by the director general, treatment services, as a responsible body, politic or corporate, upon their written certification that facilities for the required service are not otherwise available, and subject to the prior approval of the director general, treatment services; provided that appliances shall be restricted generally to those manufactured by prosthetic services (without precluding the incorporation of purchased components) and further provided that, when original sponsorship ceases, appliances supplied under this section may be serviced for the individual, subject to prepayment, during the life of the appliance but will not be replaced excepting under legitimate sponsorship; (d) Under section 21 of the veterans treatment regulations, at the request and expense of any department of the government of Canada; (e) Under section 22 of the veterans treatment regulations, at the request and expense of an allied government.

5. Officials of the Department of Veterans Affairs believe that there is a need among disabled persons in Canada for a better prosthetic service than is at present available. These officials have given consideration to a

number of ways in which the skills and services of the prosthetic division of the department might be made available to a larger segment of the Canadian population, including the possibility that the division might be transferred out of the Department of Veterans Affairs. Consideration is still being given to this matter.

DENUNCIATION OF CANADA-QUEBEC TAX AGREEMENT

*Question No. 1,570*—**Mr. Caouette:**

Since 1942, has the Minister of Finance received written notice from the government of the province of Quebec, pursuant to section 23(5) of the agreement signed by both governments on the vacating of certain fields of taxation during the war with a view to denouncing the agreement and, if so, what steps have been taken in this respect, and what agreements are now in force?

[*Translation*]

**Mr. Benson:** No. Under section 23(1) of the wartime tax agreement, it was provided that the agreement would terminate on the last day of the fiscal year of the province ending nearest to the thirty first day of December in the first calendar year which began after the date of cessation of hostilities. As order in council P.C. 7409 dated 21st December 1945 fixed the 2nd September 1945 as the date of the cessation of hostilities, the wartime tax agreement automatically ceased on March 31, 1947, and Quebec was free to resume the imposition of a provincial tax on individual and corporation incomes. As Quebec did not enter into subsequent tax rental agreements, that province has retained its freedom to tax individual and corporation incomes.

[*Text*]

*BILINGUALISM AT MARVILLE MILITARY BASE

*Question No. 1,592*—**Mr. Côté (Chicoutimi):**

1. How is bilingualism handled at the Canadian military base located at Marville, France?
2. Are notices of all types published both in French and in English?
3. Do the fuselages of Canadian aircraft carry bilingual inscriptions?
4. Are the menus written in both languages?

[*Translation*]

**Mr. Cardin:** Mr. Speaker, the answers to Nos. 1 and 2 are as follows:

Instructions, notices, etc. are posted in French if needed. French magazines and newspapers are sold on the base and records to learn French can be obtained free of charge from the base library. French courses are also available to those who want to take advantage of them.

Answer to No. 3:

No, the inscription is made up of only the letters R.C.A.F. and the rosette with a maple leaf in the centre of it, which is known throughout the world.

Answer to No. 4:

The menus are written in English or in French as need be.

[*Text*]

CORN—SURPLUS, EXPORTS AND STORAGE

*Question No. 1,593*—**Mr. Latulippe:**

1. Is there a corn surplus in Canada and, if so (a) how many bushels are stored in each of the western provinces (b) what percentage does the 1963 total corn sale represent of the country's total surplus (c) what was the storage cost in 1962-63 for the corn surplus (d) what were the administrative costs of the corn surplus during 1962-63?
2. To what countries did Canada export corn during the year 1962-63 and (a) how many bushels were exported to each country (b) at what price per bushel (c) what are the conditions of payment to each country?
3. What was the storage cost in 1962-63 for the surplus corn?

**Mr. Hays:** 1. No. (a) None, corn, other than for canning purposes, is not produced in commercial quantities in western Canada (b) not applicable; (c) not applicable; (d) not applicable.

2. (a) Belgium-Luxembourg, 1,399 bushels; Austria, 5 bushels; France, 1,939 bushels; West Germany, 28 bushels; Netherlands, 44 bushels; Switzerland, 4,601 bushels; Japan, 18 bushels; British Guiana, 7,182 bushels; Chile, 29 bushels; Barbados, 110 bushels; Jamaica, 20 bushels; Leeward and Windward Is., 112 bushels; Trinidad and Tobago, 3,149 bushels; St. Pierre and Miquelon, 129 bushels; United States, 24,505 bushels.

(b) These exports consist of certified and specially developed varieties of seed sold by Canadian seed producers specializing in certified and hybrid seed production for foundation stock and seed purposes. No information is available as to the price per bushel received by producers for these shipments.

(c) Since these were private sales on a commercial basis no information is available.

3. Nil.

BALANCE OF PAYMENTS

*Question No. 1,594*—**Mr. Latulippe:**

Did the Minister of Finance state at the beginning of October that the government did not intend to reduce its balance of payments deficit to the detriment of the United States and, if so (a) what practical measures does the government expect to take (b) what special meaning does the Minister of Finance attach to multilateral measures as opposed to bilateral ones (c) what are the methods presently employed to re-adjust Canada's balance of payments (d) what has been, each year for the past five years, the deficit in Canada's balance of payments (e) is a balance of payments deficit expected for the current year and, if so, what is the projected figure?

[*Translation*]

**Mr. Benson:** (a) (b) (c) It is believed this question refers to a speech that the Minister of Finance gave at the annual meeting of the international monetary fund in early October. The government's policy towards Canada's balance of payments problem was indicated in that speech as follows:

"The Canadian government is determined to press on in this direction (i.e. towards a reduction of the over-all current account deficit) by constructive steps which avoid severe distortions or disruptions in our own affairs or in those of our trading partners. We do not aim at balance with one particular country or one particular area but at improving our balance with the world as a whole."

(d) 1958, $1,131 million; 1959, $1,504 million; 1960, $1,243 million; 1961, $982 million; 1962, $848 million.

(e) Data on the balance of payments for 1963 are available for the first six months only. The deficit on current account for the first six months of 1963 was $439 million, compared with a deficit of $695 million in the first six months of 1962.

[*Text*]

COMPETITION FOR MANAGEMENT ANALYSTS

*Question No. 1,613*—**Mr. Fisher:**

1. (a) What is the civil service commission's training program to train civil servants as management analysts (b) how much money was spent by the civil service commission on staff training for management analysts' position during 1960, 1961, 1962, and up to the end of September, 1963 (c) what is the information on monies spent for staff training in other government departments, by name, requiring management analysts as requested in (b) above?

2. Did the civil service commission receive any complaint from civil servants or any staff association with respect to the conduct and results of civil service competition No. 63-654 and, if so (a) who made the complaints (b) what replies were made to such complaints?

3. (a) Was selection and interview of candidates who applied for positions in competition No. 63-654 conducted in accordance with the Civil Service Act and regulations (b) does any section or sections of the Civil Service Act and regulations authorize and provide for selection boards to change their personnel when interviewing and selecting applicants for one competition (c) does any section or sections of the Civil Service Act and regulations authorize and provide for civil servants to have their friends submit applications in response to a competition, with the assurance of a position if they apply (d) does any section or sections of the Civil Service Act and regulations authorize the establishing of an eligible list before all applicants are interviewed (e) does any section or sections of the Civil Service Act and regulations authorize the appointment of applicants to positions before the selection boards have completed their interviews of all candidates whose applications were accepted?

**Mr. Pickersgill:** I have been given the following answer by the civil service commission:

*Questions*

1. (a) The management analysis division (formerly the organization and methods service) of the civil service commission has given training to departmental officers, as requested, since 1956. This training is done by (i) formal training courses, (ii) on the job training by the attachment of departmental officers to management analysis division officers when a project is being carried out for the department concerned, and (iii) by dissemination of selected information on management analysis work. Formal training courses in management analysis have been planned, on the basis of requests from departments, until the end of the 1963-64 fiscal year. (b) The staff costs involved in giving formal courses in management analysis have been approximately $4,000 a year for 1960, 1961 and 1962. For 1963, up to the end of September, the costs have been approximately $8,000. These costs do not include the salaries of those attending the courses. (c) No figures available.

2. The civil service commission received no written complaints in connection with this competition. There were two telephone calls from the Ottawa office of the civil service association of Canada for information only. This information was given verbally.

3. (a) Yes. (b) Section 38(1) of the Civil Service Act permits the civil service commission to make an administrative decision of this nature. (c) No. (d) Yes. See 3(b) above. (e) See 3(b) above.

NATIONAL WAR MEMORIALS

*Question No. 1,616*—**Mr. Matheson:**

1. Does Canada presently have a national shrine of remembrance in Ottawa or elsewhere and, if so, where?

2. What war memorials or cenotaphs are in existence in the Ottawa area, where are they located, for what purpose were they erected, and when?

3. Does Canada have any memorial to the unknown serviceman?

**Answer:** 1. Canada does not at present have a national shrine of remembrance.

2. The following memorials in the Ottawa area are the only ones in the erection of which the federal government has participated:

(a) The world war I memorial on Confederation square. This memorial commemorates the more than 60,000 Canadian servicemen who died during service in that war. This memorial was unveiled by King George VI on May 21, 1939.

(b) The peace tower. The peace tower of the centre block of the parliament buildings, and particularly the memorial chamber therein, was erected to commemorate Canada's participation in world war I and in memory of those Canadians who lost their lives during that war while in the armed forces. The

peace tower was officially opened by the Prince of Wales, later King Edward VIII, on July 1, 1927.

(c) Veterans memorial buildings on Wellington street. The veterans affairs building and the trade and commerce building, together with the commemorative arch connecting them, form the veterans memorial buildings. The cornerstone of the veterans affairs building was laid by the Hon. Hugues Lapointe, the then minister of veterans affairs, on November 11, 1952, and the buildings were occupied by their respective departments in 1955-59. These buildings were intended as a memorial to those Canadians who gave their lives while in the services during world war II.

(d) The commonwealth air forces memorial. This memorial was erected by the imperial war graves commission, now the commonwealth war graves commission, of which Canada is a participating member, and was unveiled on July 1, 1959 by her Majesty Queen Elizabeth II. This memorial is located on Green island. It commemorates the 798 men and women of the air forces of the commonwealth who died in Canada, the United States and neighbouring lands from 1939 to 1945.

(e) Canloan memorial. This memorial consists of a commemorative stone in a small park at the corner of Stanley avenue and Sussex drive. It was placed in memory of 673 Canadian officers who served voluntarily in the British army and took part in the invasion and liberation of Europe, 1944-45. There were 128 fatal casualties among this group of officers. The memorial was unveiled by the Governor General on June 3, 1961.

3. There is no national memorial in Canada to the unknown serviceman.

EXTENSION OF AIRPORT RUNWAYS, LONDON, ONT.

*Question No. 1,632*—**Mr. Irvine:**

Are there included, in the estimates of the Department of Transport, sums to extend the runways at London airport?

**Mr. McIlraith:** No. The department had earlier expected that runway strengthening would be necessary in connection with use of London airport by Vanguard aircraft, but engineering investigation indicated that this would not have to be undertaken at the present time, although an additional parallel taxiway is to be constructed.

NURSING ORDERLIES, D.V.A. HOSPITALS

*Question No. 1,634*—**Mr. Irvine:**

1. What was the date of the most recent increase in pay granted to nursing orderlies in D.V.A. hospitals?
2. What was the amount of this increase?
3. Has there been any reclassification of nursing orderlies since this increase?
4. If so, after reclassification, what was the net additional pay?

**Answer:** 1. Salary revisions for nursing orderlies, effective from January 1, 1963, were authorized by the government on July 29, 1963.

2. Increases varied from nothing to $540 per annum.

3. There have been 1,737 reclassifications and an additional 212 are pending.

4. The total additional annual salary increases when all reclassifications are made will, it is estimated, amount to $348,550.

GRANTS TO HEALTH RESEARCH PROJECTS

*Question No. 1,642*—**Mr. Orlikow:**

1. What research projects being conducted by the universities, government, and private foundations are being financed by federal health grants, in the following fields: (a) heart disease (b) cancer (c) tuberculosis (d) multiple sclerosis (e) muscular dystrophy, and (f) arthritis?
2. What is the value of each grant?
3. What is the total value of each grant for each province?
4. What is the total value of these grants for Canada?

**Miss LaMarsh:** 1. Under the national health grants, federal funds have been allocated to date in 1963-64, on the basis of provincial requests, towards the conduct of research at various Canadian universities, hospitals and other health agencies in the following fields: heart disease, cancer, tuberculosis and arthritis. No research project has been submitted by the provinces during this fiscal year for the support of research on multiple sclerosis and dystrophy.

2. (a) Heart disease, thirty seven research projects are being supported in the present fiscal year with the value of the grants varying from $499 to $66,812; (b) cancer, under the cancer control grant, $350,000 has been earmarked for cancer research. To date provincial requests have been approved in an amount of $223,027 on behalf of cancer research; (c) tuberculosis, nine research projects are being supported in the present fiscal year with the value of the grants varying from $4,850 to $28,950; (d) arthritis, ten research projects are being supported in the present fiscal year with the value of the grants varying from $258 to $17,000.

*Questions*

| 3. and 4. | Heart Disease | Cancer | Tuberculosis | Arthritis |
|---|---|---|---|---|
| Newfoundland | | $ 10,000 | | |
| Prince Edward Island | | | | |
| Nova Scotia | | 15,000 | $ 21,209 | $ 8,760 |
| New Brunswick | | | | |
| Quebec | $298,871 | 72,419 | 46,650 | 10,758 |
| Ontario | 148,218 | 116,708 | 57,983 | 50,673 |
| Manitoba | 58,127 | | | |
| Saskatchewan | | 8,900 | | |
| Alberta | | | | |
| British Columbia | 6,796 | | | 17,000 |
| Northwest Territory | | | | |
| Yukon | | | | |
| Canada | $512,012 | $223,027 | $125,842 | $ 87,191 |

CAPE BRETON HIGHLANDS PARK—IMPROVEMENTS TO WATER SYSTEM

*Question No. 1,651*—**Mr. Muir (Cape Breton North and Victoria):**

1. Has a contract been awarded for improvements to the water system in the Cheticamp area of the Cape Breton Highlands national park?
2. Who was the successful tenderer and what was the amount of the tender?
3. What are the names, addresses, and amounts, of all others who tendered?

**Mr. Laing:** 1. No; tenders have been called but no contract yet awarded.

2. N/A.

3. Tenders were received from the following:

Maritime Builders Limited, P.O. Box 555, Sydney, Nova Scotia, $60,219.00; Stephens Construction Limited, 199 Townsend street, Sydney, Nova Scotia, $65,013.58; Albert E. Whidden, P.O. Box 30, Antigonish, Nova Scotia, $162,266.00.

HOUSE CONSTRUCTION, PORT BLANDFORD, NFLD.

*Question No. 1,652*—**Mr. Muir (Cape Breton North and Victoria):**

1. To whom was the contract awarded for the construction of two dwellings at Port Blandford, Newfoundland?
2. What was the amount of the contract, and what were the names, addresses and amounts, of all those who tendered?

**Mr. McIlraith:** 1 and 2. The closing date for tenders for this project is November 28 and, accordingly, the information requested is not yet available.

POSTAL TERMINAL BUILDING, EDMONTON

*Question No. 1,657*—**Mr. Lambert:**

1. Have plans and working drawings been completed for a new postal terminal building and related facilities in Edmonton and, if not, when is it expected that these shall be completed preparatory to a call for tenders?
2. When is it expected that tenders will be called and; when is the anticipated date of awarding a contract and, what is the target date for the commencement of construction or completion?
3. Do the plans call for air conditioning all or part of the proposed building and, if not, what are the reasons for such a decision?

**Mr. Badanai:** 1. No, but it is expected they will be completed early next month.

2. The department expects to call tenders in late December, 1963, and to award the contract in March, 1964. Construction is expected to commence immediately following the award of the contract and take about three years to complete. This estimated time includes the installation of mail handling equipment as well as construction of the building.

3. Yes, for all of the building.

PERSONS ON PAROLE CONVICTED OF CRIMES

*Question No. 1,659*—**Mr. Orlikow:**

In the past five years, how many people released from prison on parole have been convicted of further criminal activities?

**Mr. Chevrier:** The national parole board has only been functioning since January 1, 1959. From that date to November 1, 1963, 10,264 persons have been granted parole. Neither the national parole board nor the R.C.M. police have statistics showing the number of such persons who were convicted of further criminal activities after their parole

periods were completed. Of these 10,264 cases however, 501 had their parole forfeited by reason of conviction for an indictable offence while on parole and 61 had their paroles revoked in whole or part because of summary conviction offences. The national parole board conducts follow-up studies of recidivism among persons granted conditional releases by five and 10 year periods from 1950 and publishes the results in the annual reports of the board.

INDUSTRIAL DEVELOPMENT BANK LOANS

*Question No. 1,663*—**Mr. Caouette:**

1. What is the total amount of the loans granted by the industrial development bank since its establishment in 1944?
2. What is the amount of the loans granted by the industrial development bank to each of the ten provinces of Canada for each of the past five years?
3. Has the industrial development bank purchased shares or debentures issued by companies or individuals with which the bank had entered into underwriting agreements and, if so, (a) what were the amounts (b) what proportion was acquired in the province of Quebec?
4. What was the number of the loans granted by the industrial development bank (a) in Canada (b) in the province of Quebec?
5. What was the average amount of these loans?
6. What is the paid up capital of the industrial development bank?

[*Translation*]

**Mr. Benson:** 1. Total amount of loans granted by the industrial development bank since its establishment in 1944 to September 30, 1963: $542,159,000.

2. The bank has no authority to lend to provincial governments.

3. (a) $45,000; (b) nil.

4. (a) in Canada: 10,131; (b) province of Quebec, 2,378.

5. (a) in Canada, $54,000; (b) province of Quebec, $65,000.

6. $33 million.

[*Text*]

CRITERIA FOR DEVELOPMENT AND UNEMPLOYMENT AREAS

*Question No. 1,664*—**Mr. Latulippe:**

1. What are the criteria under which an area can qualify as a development area?
2. What are the criteria under which an area can qualify as a high winter unemployment area?
3. Is the national employment service Megantic area considered a high winter unemployment area and, if so, for what reasons?
4. Does the national employment service Megantic area qualify as a development area and, if not, for what reasons?
5. Can municipalities in the high winter unemployment areas expect that the federal government will take their 10 per cent share in the winter works program?
6. Which municipalities in the Compton part of the constituency of Compton-Frontenac are in the high winter unemployment area?
7. Is the Compton region considered as a development area and, if not, for what reasons did it not qualify?

[Mr. Chevrier.]

**Mr. MacEachen:** 1. The national employment service area will be designated:

(a) if it has been a labour surplus area for at least half of the summer months of the past eight years and employment growth has been less than half the national average, or (b) if it has been a labour surplus area for at least one third of the summer months of the past eight years and employment has declined over this period, or (c) if it has been a surplus labour area for at least half of the summer months of the past three years and employment has declined in each of these years. On the other hand, an area will not be designated if there has been a steady and considerable decline in unemployment over the past three years, a decline large enough to take the area out of the substantial labour surplus category.

2. To qualify as an area of high winter unemployment, the average ratio of national employment service registrations to estimated paid workers must have been 25 per cent or more in the three months January, February and March during the years 1961, 1962, and 1963.

3. Yes. In the Megantic area, national employment service registrations represented more than 25 per cent of the paid workers during the winter months of the past three years, thereby meeting the conditions outlined above.

4. No. The Megantic national employment service area does not qualify as a designated development area because it has failed to meet the employment criteria.

5. Municipalities in areas of high winter unemployment will receive higher payroll incentive payments under the municipal winter works incentive program. Municipalities in these areas will receive an additional 10 per cent, or a total of 60 per cent of payroll costs of winter works projects.

6. All of the Compton part of Compton-Frontenac constituency is in the Sherbrooke local office area. Sherbrooke is not an area of high winter unemployment.

7. The Compton region is part of the Sherbrooke local office area. Sherbrooke has not been designated a development area because it failed to meet the established employment criteria.

FISH BREEDING STATIONS

*Question No. 1,669*—**Mr. Latulippe:**

1. Has the Department of Fisheries received any representations or requests with regard to the building of a fish breeding station in Compton-Frontenac constituency?
2. How many fish breeding stations are there in the eastern townships of the province of Quebec?
3. What were the expenses incurred by the federal government with regard to fish breeding stations (a) in Canada (b) in the province of Quebec, indicating (i) the cost of each project

(ii) the number of employees at each station and the salary of each (iii) expenses incurred for building and repairs during the past ten years?

4. What are the rules that govern (a) the choice of a site for a fish breeding station (b) the organization of such an establishment?

5. What amount was spent on research in fish breeding stations during the past five years (a) in Canada, (b) in Quebec?

**Mr. Robichaud:** 1. No. The provincial government operates fish breeding stations in the province of Quebec. Consequently, the following questions are not therefore relevant.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

5. Answered by No. 1.

BUTTER STORAGE, QUEBEC

*Question No. 1,672*—**Mr. Latulippe:**

1. Has the Department of Agriculture received any requests from the constituency of Compton-Frontenac concerning the building of refrigerated warehouses for butter surpluses and, if so (a) from whom (b) on what date?

2. At October 31, 1963, how many pounds of butter indicating value and carrying charges, were stored in the constituency of (a) Compton-Frontenac (b) Sherbrooke (c) Megantic (d) Beauce?

3. What individuals or private firms have such warehouses and (a) what is the annual rent (b) since when, in each case (c) has the rent been raised in the past five years and, if so, by how much in each case?

**Mr. Hays:** 1. No. (a) Not applicable. (b) Not applicable.

2. (a) and (b) As at October 31, 1963, there were 6,106,384 pounds of butter in storage warehouses in the constituencies of Compton-Frontenac and Sherbrooke, valued at $3,430,-632 and storage charges amounted to $11,786.79 per month; (c) and (d) As at October 13, 1963, no butter was stored in the constituencies of Megantic and Beauce.

3. Societe Cooperative Agricole, Lac Megantic; Metropolitan Storage, Sherbrooke; Eastern Townships Produce Co., Sherbrooke; W. Lowney Company, Sherbrooke; Lansdowne Storage Company, Sherbrooke.

(a) Storage charges are 13 cents per box per month for the first eight months plus handling charges which are included in the first month's storage, and 10 cents per box per month for the ninth and subsequent months; (b) Societe Cooperative Agricole, 1961; Metropolitan Storage, 1963; Eastern Townships Produce Co., 1961; W. Lowney Company, 1963; Lansdowne Storage Company, 1963. (c) No.

REAL ESTATE CREDIT ADVISER, AGRICULTURE DEPARTMENT

*Question No. 1,679*—**Mr. Gauthier:**

Is there an agronomist employed in the Department of Agriculture as a credit adviser authorized to deal in real estate while discharging his departmental duties?

**Mr. Hays:** There are no agronomists employed by the Department of Agriculture as credit advisers. The Farm Credit Corporation, however, does employ credit advisers who are not authorized to deal in real estate while discharging their duties for the corporation.

MINING OPERATIONS, COMPTON-FRONTENAC CONSTITUENCY

*Question No. 1,683*—**Mr. Latulippe:**

1. How many mining firms or companies operated in Compton-Frontenac in 1963?

2. What assistance did the federal government grant each of these companies, and under what program?

3. What firms or companies hold mining properties in Compton-Frontenac?

4. What revenue did the federal government receive from those companies during the past three years?

**Mr. Benidickson:** 1. One.

2. No direct assistance.

3. Several companies hold mining property in Compton-Frontenac county, two of which justify comment. Copperstream-Frontenac Mines Limited holds mining rights on a molybdenite property of 2,990 acres in Gayhurst and Dorset townships in Frontenac county, and has reported reserves of 2 million tons averaging 0.50 per cent $MOS_2$. The Moneta group, financed by Moneta Porcupine Mines Limited, Dome Mines Limited, and Hastings Mining and Development Company Limited holds property in Marston and Clinton townships and has done exploration work on a large low-grade copper deposit.

4. No information available.

TARIFF PROTECTION ON SUGAR

*Question No. 1,686*—**Mr. Mather:**

What is the amount of tariff protection enjoyed by Canadian sugar refiners against competition from foreign refined sugar?

**Mr. Benson:** The duty on fully refined sugar is $1.09 per cwt. under the British preferential tariff and $1.89 per cwt. under the most favoured nation tariff. The duty on raw sugar depends upon its polariscopic test. On 96 degree raw the rate is 28 cents per cwt. under the British preferential tariff and $1.28 under the most favoured nation tariff. In comparing rates of duty on raw and refined sugar account should be taken of the fact that there is a loss factor of shrinkage of about 7 per cent in converting raw sugar into refined sugar. Moreover it should be kept in mind that in general commonwealth producers take about 85 cents of the $1 per cwt. margin of preference on raw sugar.

*Questions*

FEDERAL TAX RECEIPTS FROM SASKATCHEWAN

*Question No. 1,687*—**Mr. Watson (Assiniboia):**

What was the amount of all taxes received from the province of Saskatchewan by the federal government in each of the years 1961 and 1962, and of this, what amount was derived from income tax?

**Mr. Garland:** The following are the amounts collected by the Department of National Revenue in the province of Saskatchewan:

| Fiscal Year | Total | Income Tax* Included in Total |
|---|---|---|
| 1960-61 | $88,940,148 | $67,505,161 |
| 1961-62 | $91,509,591 | $71,826,579 |

*Includes old age security tax

FEDERAL TAX RECEIPTS FROM QUEBEC

*Question No. 1,688*—**Mr. Watson (Assiniboia):**

What was the amount of all taxes received from the province of Quebec by the federal government in each of the years 1961 and 1962, and of this, what amount was derived from income tax?

**Answer:** The following are the amounts collected by the Department of National Revenue in the province of Quebec:

| Fiscal Year | Total | Included in Total |
|---|---|---|
| 1960-61 | $1,748,906,370 | $860,609,230 |
| 1961-62 | $1,830,377,564 | $910,730,574 |

*Includes old age security tax

ROADS TO RESOURCES, MANITOBA

*Question No. 1,692*—**Mr. Knowles:**

1. How many roads have been built in northern Manitoba, in whole or in part, under the roads to resources program?

2. What is the length and description of each such road?

3. In how many cases were payments made to private mining companies toward the cost of constructing such roads?

4. What mining companies received such payments and, in each case (a) what figure was submitted to the federal government as the cost of the road (b) how much thereof was paid by the federal government and (c) to whom were such federal government payments made?

**Mr. Laing:** 1. Three.

2. Thompson road, approximate mileage 191. New construction commencing at No. 10 highway near Simonhouse, thence to a point on the Wekusko-Snow lake road to the townsite of Thompson; Osborne lake road, approximate mileage 12.2. New construction from a point on the Wekusko-Snow lake road to the Hudson Bay Mining and Smelting Company at Osborne lake; God's lake road, approximate mileage 384.2. New construction from the northern terminus of the Interlake road system near Gypsumville through Grand Rapids to the Thompson road and thence east as far towards God's lake as can be completed.

3. None.

[Mr. Benson.]

4. None. However, the International Nickel Company of Canada has agreed to pay to the province one third of the cost of such portions of the work on the Thompson road as are of direct interest to the company, and the Hudson Bay Mining and Smelting Company has undertaken to pay one third of the total cost of the Osborne lake road, leaving the balance to be divided equally between the federal government and Manitoba.

Under the roads to resources agreement with Manitoba the province is primarily responsible for arrangements with the mining companies concerned. Provincial returns to date do not show the contribution by the International Nickel Company of Canada toward the construction of the Thompson road; they indicate that the Hudson Bay Mining and Smelting Company has contributed $199,065 toward construction of the Osborne lake road.

RADIO AND TELEVISION SERVICE, WABUSH, NFLD.

*Question 1,695*—**Mr. Fisher:**

1. What plans has the C.B.C. for providing radio and/or television service to Wabush, Newfoundland?

2. What is the population estimate the C.B.C. is using in its plans for service to this area?

3. Has the C.B.C. any radio and/or television service for any communities in Canada, in hinterland areas, that are smaller in population than Wabush and, if so, what are they, and what is the population in each?

**Mr. Pickersgill:** I am informed by the Canadian Broadcasting Corporation as follows:

1. Applications have been submitted to the Department of Transport for authority to establish two low power radio stations, one at Wabush and the other at Labrador city. There are no immediate plans for television.

2. Estimated at 5,000 within the combined coverage area proposed for the two low power transmitters referred to in part 1.

3. Yes in radio but not in television. The corporation has more than 100 low power radio transmitters in operation now and eleven more have been authorized but are not yet in operation. Many of these are or will be serving communities with smaller population than that estimated for Wabush/Labrador city area. Some of these are:

| Place | Population (estimated) |
|---|---|
| Latchford, Ontario | 1,500 |
| White River, Ontario | 900 |
| Foleyet, Ontario | 800 |
| Beardmore, Ontario | 1,800 |
| Nakina, Ontario | 1,300 |
| Cassiar, B.C. | 600 |
| Clinton, B.C. | 1,300 |
| Fort Nelson, B.C. | 1,800 |
| Fort St. James, B.C. | 1,500 |
| Houston, B.C. | 1,600 |

| Place | Population (estimated) |
|---|---|
| Lytton, B.C. | 1,500 |
| Holberg, B.C. | 1,200 |
| Dawson, Y.T. | 900 |
| Elsa, Y.T. | 600 |
| Watson Lake, Y.T. | 600 |
| Fort Smith, N.W.T. | 1,800 |
| Hay River, N.W.T. | 1,400 |

FRENCH COPIES OF TRANSPORT DEPARTMENT BOOKLET

*Question No. 1,697*—**Mr. Fisher:**

1. Was a booklet "Department of Transport Directory" and in the blue section a "list of officers of boards, commissions and corporations reporting to the minister", dated at Ottawa, June 1963, printed in French?
2. Were 1,500 copies of these booklets printed in French, the same as in English or, if not, how many were printed?
3. Of the 1,500 or so copies printed, how many were distributed as at October 1, 1963?
4. What was the cost of the booklets printed in French?
5. What disposition will be made of the remaining booklets printed in French which were not distributed by October 1, 1963?
6. Will another issue of this directory be published in French?
7. Who are the members of the departmental publications committee and for what reason did they consider the publication of this booklet in French necessary?
8. Was economy taken into consideration?

**Mr. McIlraith:** 1. No. As pointed out in the answer made on November 6, 1963, to parts 5 and 6 of question No. 1,452 the booklet is not for the purpose of providing information in narrative form but is simply a listing of names, residences and telephone numbers of personnel.

2, 3, 4, 5 and 6. Not applicable.

7. At the time the booklet was published the committee comprised the senior assistant deputy minister, director of administration and personnel, chief of office services.

8. Not applicable.

EXTENSION OF HARBOUR FACILITIES, NOEL, N.S.

*Question No. 1,698*—**Mr. Kennedy:**

Has the government any intention of extending the harbour facilities at Noel, Nova Scotia, so as to accommodate ocean-going vessels for movement of pulpwood, etc?

**Mr. Badanai:** Not at the present time.

SCHOLARSHIPS TO CHILDREN OF OVERSEAS SERVICE PERSONNEL

*Question No. 1,700*—**Mr. Matheson:**

1. Are the children of overseas service personnel eligible for dominion-provincial scholarships and, if so, how are they selected from the graduates of Department of National Defence schools in Europe?
2. How many such scholarships have been awarded to Department of National Defence school graduates in each of the past five years?

**Mr. MacEachen:** 1. Yes. Recipients are selected by provincial government and university selection committees.

2. Information is not available.

BRAS D'OR ILLUSTRATION STATION

*Question No. 1,703*—**Mr. Muir (Cape Breton North and Victoria):**

Has the contract for the Bras d'Or illustration station expired and, if so, will it be renewed, and for what period of time?

**Mr. Hays:** No, the contract for the Bras d'Or illustration station has not expired.

BUREAU OF STATISTICS FIGURES ON MERCHANDISING VOLUME

*Question No. 1,704*—**Mr. Mather:**

Do dominion bureau of statistics figures indicating increases in merchandising volume, such as in department store sales, take into account the increased prices of goods sold?

**Answer:** The dominion bureau of statistics retail sales series represents the value of merchandise sold.

ROYAL CANADIAN NAVY—OFFICER PERSONNEL

*Question No. 1,711*—**Mr. Fisher:**

How many (a) admirals (b) commodores (c) captains (d) commanders, and (e) lieutenant commanders are at present in the Royal Canadian Navy?

**Answer:** (a) Vice admiral, 1; rear admirals, 8; (b) commodores, 23; (c) captains, 69; (d) commanders, 239; (e) lieutenant commanders, 849.

## MOTIONS FOR PAPERS

**Hon. J. W. Pickersgill (Secretary of State):** I wonder if I might be permitted to say a word at this moment. I have had consultations through the usual channels, and I believe that in order to assist the government, because so many ministers are not able to be here at this time today on account of the federal-provincial conference, it would meet with the wishes of the house if Your Honour were to call only motion No. 169, which the government is willing to accept without any discussion. It would be a service to the government which would be greatly appreciated if the other motions could stand until next week.

**Mr. Speaker:** I take it the house agrees with the suggestion made by the Secretary of State.

**Mr. Erik Nielsen (Yukon):** I notice that the Postmaster General is in the house, and since motion No. 152 has to do with his department I wonder whether he would be prepared to make a reply today, or has the agreement been on an over-all basis?

**Mr. Pickersgill:** It was an over-all agreement.

TELEGRAM FROM B.C. FISHERIES ASSOCIATION

*Motion No. 169*—**Mr. Howard:**

That an order of the house do issue for a copy of the telegram received from the fisheries association of B.C. which was referred to and quoted in part by the Minister of Fisheries at page 2945 of the *House of Commons Debates* for August 2, 1963.

Motion agreed to.

## DOMINION-PROVINCIAL CONFERENCE

FEDERAL ATTITUDE TOWARD ALLEGED ULTIMATUM FROM QUEBEC

On the orders of the day:

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** I should like to ask the Acting Prime Minister a question regarding the briefs which have been presented to the dominion-provincial conference, particularly that presented by the premier of Quebec. In view of the fact that the hon. gentleman is a member from that province, can he say whether it is the intention of the government to capitulate to this ultimatum as has been the case in the past?

**Hon. Lionel Chevrier (Acting Prime Minister):** I am somewhat surprised at the language used in the last part of the right hon. gentleman's question.

**An hon. Member:** Answer the question.

**Mr. Chevrier:** If hon. members will allow me, I will do my best to answer it. In the next place I should like to say that there is nothing either in the statement made by the premier of the province of Quebec or in the statement I listened to this morning that is in the nature of an ultimatum. Finally I should like to say that all these matters, not only the brief prepared and submitted by the premier of the province of Quebec but those prepared and submitted by all the provinces, will, as stated by the Prime Minister this morning and yesterday, be considered carefully, sympathetically and fairly to all provinces.

**Mr. Diefenbaker:** Mr. Speaker, so far as the last observation is concerned, that the consideration will be fair to all provinces, that is what is expected by everyone in this house. I ask the minister, though, whether an opportunity will be given to the house to debate this question at an early date.

**Mr. Chevrier:** Mr. Speaker, the briefs were tabled by me earlier today. They will be submitted to hon. members just as soon as the secretariat has word that they should be, which will be this afternoon. In so far as the matter of debate is concerned, I think that is something that will have to be left to the discretion of the Prime Minister when he returns.



**Mr. Erik Nielsen (Yukon):** A supplementary question, Mr. Speaker. In view of the fact that the federal-provincial conference is under way, I wonder whether the Acting Prime Minister could tell me who is representing Yukon and the Northwest Territories at that conference?

**Mr. Chevrier:** That question has been asked on several occasions and the Prime Minister said he would look into it, but I must say that there is no official representation from the Northwest Territories or Yukon.

[*Later:*]

[*Translation*]

On the orders of the day:

**Mr. Georges Valade (St. Mary):** Mr. Speaker, my question is directed to the Acting Prime Minister. Can he tell the house if it is true that, at the request of Ottawa, the province of Quebec has agreed to withdraw from the pension plan for the blind and the disabled in return for tax concessions?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, since the question of joint programs is now being studied by the federal-provincial conference, I feel it would be out of order for me to make a statement in that respect.

**Mr. Valade:** Mr. Speaker, I wish to ask the Acting Prime Minister a supplementary question. Without knowing the decision taken, can he tell us if such a suggestion was discussed at this morning's meeting?

**Mr. Chevrier:** I think the hon. member should be satisfied with the statements made a while ago. With regard to the statements made this morning, I am not in a position to say what happened at that meeting.

[*Text*]

REPORTED EXCLUSION OF OUTSIDE PRESS PHOTOGRAPHERS

On the orders of the day:

**Mr. Heward Grafftey (Brome-Missisquoi):** I should like to address a short question to the Acting Prime Minister. Has the government received written protests from 17 press photographers complaining of their exclusion from an opportunity to take photographs for their newspapers at the federal-provincial conference, while at the same time an official government photographer was provided with full facilities? Can the Acting Prime Minister give reasons for such exclusion?

**Hon. Lionel Chevrier (Acting Prime Minister):** Well, Mr. Speaker, I am not aware of any such difficulty that has arisen. I was present this morning when a photograph was taken of those who were there, so I would not think there was any difficulty in that respect. However, in view of the hon. member's question, I shall be glad to look into it.

[*Later:*]

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, with further reference to a question asked a little earlier, I would like to ask the Acting Prime Minister whether it is the attitude of the government or the decision of the government that the national film board should be a monopoly agency in so far as these photographs are concerned to which reference has been made, at the dominion-provincial conference, and also whether it is the view of the government that the right of competition from free agencies should be denied.

**Mr. Chevrier:** Well, Mr. Speaker, in answer to the question put by the hon. member for Brome-Missisquoi I indicated that I was not familiar with the circumstances as he outlined them from the memorandum he had before him. When I said that a picture was taken, I was referring to the usual picture that is taken of the Prime Minister and the premiers of the provinces. That was taken shortly before I left at noon. So far as the rest of the question is concerned, I am afraid I shall have to inquire into the position to ascertain what it is.

**Mr. Diefenbaker:** It seems completely inexcusable.

## EXTERNAL AFFAIRS

### CUBA—VALIDITY OF CONFESSION OF RONALD LIPPERT

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Could he tell the house if his department has any information as to whether the confession of Ronald Lippert, a copy of which I hold in my hand, was secured under duress or under promise of clemency? Has this matter been looked into by his department or by his officials in Havana?

**Hon. Paul Martin (Secretary of State for External Affairs):** Yes, Mr. Speaker, this matter has been looked into by the Department of External Affairs.

While I am on my feet may I deal with questions that were asked of me yesterday by several hon. members. At no time has it been suggested or charged, before or during the trial itself, that the explosives were of Canadian origin. Neither is there any evidence that they had been brought into Cuba from Canada.

The hon. member for Kootenay West asked me a question concerning the visit to my office on August 21 of Mr. William J. Garfat and Leonard Rosenberg. These gentlemen came to see me, and discussed a project for the export of food parcels from Canada to Cuba. This proposal for a commercial food parcels scheme is completely distinct from the alleged smuggling of explosives in food tins from Miami by one of the accused, in connection with a flight said to have been made for the purpose of obtaining some aircraft engines.

The Department of External Affairs sent Mr. Garfat a letter dated September 11 saying that we were of the opinion, after looking into the food parcels proposal, that it did not appear to be feasible. In the letter it was pointed out that the United States Cuban assets control regulations would not permit the transfer of funds to Canada by Cuban refugees in the United States for the purchase of food packages in Canada.

**Mr. Douglas:** A supplementary question, Mr. Speaker. The minister has told us that his department has looked into the question of the alleged confession. Could I ask the minister what his officials have found as a result of their investigation?

**Mr. Martin (Essex East):** Mr. Speaker, the appeal has been lodged, and I prefer to say nothing which in my judgment might in some way prejudice that appeal.

**Mr. Douglas:** Could I ask the minister if the Canadian ambassador in Havana has seen the prisoner or the other accused, Mr. Milne, who was acquitted? Has the ambassador himself seen either of them?

**Mr. Martin (Essex East):** Mr. Speaker, the ambassador or the vice consul, who himself happens to have legal training, saw both prisoners prior to the trial on at least three occasions, I believe. The individual who has been found not guilty is expected to be leaving Havana momentarily.

**Mr. H. W. Herridge (Kootenay West):** A supplementary question, Mr. Speaker. Would the minister consider having this individual appear before the external affairs committee when it sits, to give his side of the story?

**Mr. Martin (Essex East):** I should think that at this particular moment we would all want to express ourselves in a manner that would not prejudice the due process of law currently under way.

*Inquiries of the Ministry*

[*Later:*]

**Mr. Douglas:** Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. A few moments ago he said that the Canadian ambassador in Cuba, and I believe the vice consul, had interviewed the two Canadians held in custody there. I am asking the minister if he would undertake to check the accuracy of that statement. I am told by those who have recently been in Havana that the only person from the Canadian embassy who visited either Milne or Lippert was Mr. Warren, the third secretary, and they had no conversations with any persons or personal interviews with anyone other than the third secretary, who has had only one year's experience in the overseas service.

**Mr. Martin (Essex East):** I will be glad to look into my hon. friend's earlier question and my responses thereto, but I would be greatly surprised if I were in error.

RUSSIA—TABLING OF CORRESPONDENCE RESPECTING PERSECUTION OF JEWS

On the orders of the day:

**Mr. Jack Davis (Parliamentary Secretary to Prime Minister):** Mr. Speaker, on Wednesday, November 20, 1963, the hon. member for Winnipeg North Centre (Mr. Knowles) asked the Prime Minister if there had been any correspondence between the government and the Canadian Jewish Congress on the subject of anti-Semitism in the Soviet union. The Prime Minister replied he understood there was some correspondence, and I now wish to table it.

**Mr. Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

## TRANSPORT

CHIGNECTO—INQUIRY AS TO STUDY BY DEVELOPMENT BOARD

On the orders of the day:

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I have a question for the Secretary of State. Has the Secretary of State been able to determine whether the Atlantic development board has the Chignecto complex under study and, if so, can he report to the house on their progress in this regard?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, if I heard the hon. gentleman correctly his question concerned the Chignecto complex. If so, the answer is that the government has approved in principle a proposal for an exploratory study, and the board is at present engaged in seeking the most competent persons to do it.



NORTH SYDNEY-NEWFOUNDLAND—MAINLAND FERRY TERMINAL

On the orders of the day:

**Mr. Robert Muir (Cape Breton North and Victoria):** I should like to ask the Minister of Transport what reply he has given to a communication he has received from the Sydney board of trade in reference to the mainland terminal of the ferry running to Argentia, Newfoundland. I refer particularly to the final paragraph of the letter, which reads:

> We of the Sydney board, feel it is only natural that North Sydney should be this terminus, and wonder if the latest press releases are in error?

**Hon. G. J. McIlraith (Minister of Transport):** It is rather difficult, when one signs so many letters, to recall a particular one without notice. My recollection is that I told them their representations would be borne in mind when this matter was considered. I appreciate very much the importance of a decision like this to each community that aspires to have the terminal in its locality.

## AGRICULTURE

INQUIRY AS TO ABSENCE OF MINISTER FROM HOUSE

On the orders of the day:

**Mr. L. E. Cardiff (Huron):** Mr. Speaker, I should like to ask the Acting Prime Minister to tell the house when we can expect to have a full time minister of agriculture. Last week he was away two days, and this week he has not been here at all. I think the house is entitled to know if we are going to have a full time minister.

**Hon. Lionel Chevrier (Acting Prime Minister):** I should like to answer that question by saying that following a question by an hon. member yesterday in connection with a statement alleged to have been made by the Minister of Agriculture I communicated with his office, and learned that unfortunately he is ill and that is the reason he is not in the house.

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** A supplementary question, Mr. Speaker. May I ask the Acting Prime Minister whether the Minister of Agriculture is now attending the federal-provincial conference or an auction sale?

[*Text*]

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I wish to ask a question supplementary to that of the hon. member for Huron.

I should like to ask the Acting Prime Minister who is representing the federal government at the federal-provincial conference, since the question of marketing boards apparently has been discussed there.

**Mr. Chevrier:** I am glad to answer that. It is the Minister without Portfolio (Mr. Tremblay).

[*Later:*]

**Mr. Charles Lamb (Victoria, Ont.):** As I have been an auctioneer for over 40 years, I should like to offer my services to the Minister of Agriculture so that he can spend more time in the House of Commons.

## POWER

### COLUMBIA RIVER—DIVERSION OF WATER UNDER PROPOSED TREATY

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to ask the Secretary of State for External Affairs a question based on the Columbia. It is a current and very interesting issue. Can the right to divert water from the Columbia for consumptive purposes be assigned for multipurpose projects under the terms of the proposed treaty?

**Mr. Speaker:** Order. May I suggest that this is really a question for the order paper, as it requires a little research.

**Mr. Herridge:** Mr. Speaker, a number of publishers and newspapermen are anxious to hear the answer to this question.

### COLUMBIA RIVER—REFERENCE OF TREATY TO HOUSE COMMITTEE

On the orders of the day:

**Mr. C. O. Cooper (Rosetown-Biggar):** Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs regarding the Columbia river project. As a member representing a lot of people interested in water, and therefore directly concerned, and in view of the Prime Minister's promise in writing that a Liberal government—

**Mr. Speaker:** Order. Please come to the point of your question.

**Mr. Cooper:** Will the Secretary of State for External Affairs refer the treaty, before it is signed, to the external affairs committee in order that the people directly concerned will be consulted prior to any decisions being made?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, the government has clearly indicated that if an agreement is concluded between the United States and Canada, the government will unhesitatingly announce its policy and submit the treaty—after the government has taken the position which constitutionally it should and must take—to the committee which, under those circumstances, would have an opportunity for the widest possible examination.

**Mr. H. W. Herridge (Kootenay West):** As a supplementary question, in view of the Prime Minister's promise in writing to numerous organizations that the government would not renegotiate the treaty and no decision would be arrived at until the people directly concerned were consulted, does the minister think the promise of the Prime Minister is being kept in this respect?

**Mr. Martin (Essex East):** Mr. Speaker, the promise of the Prime Minister is being kept in this as in all other respects.

## CANADIAN BROADCASTING CORPORATION

### CONSIDERATION OF PETITION RESPECTING PROGRAM "NINE TO FIVE"

[*Translation*]

On the orders of the day:

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I ask the Acting Prime Minister a question?

Does the minister intend to ask for an investigation of the C.B.C. which interferes with the freedom of expression by cutting out one character from the T.V. serial "De neuf à cinq" following a petition signed by the authors association?

**Hon. Lionel Chevrier (Acting Prime Minister):** I shall consider this question as notice.

[*Text*]

## BUSINESS OF THE HOUSE

### REQUEST FOR REPLY TO QUESTION ON ORDER PAPER

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, I have a question for the Minister of Public Works. I direct the minister's attention to question 1,237 on the order paper, which was placed there on October 4, some 54 days ago. Does the minister intend to have his department reply to that question before the expiration of 60 days next Tuesday?

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, I am going to look into this matter, and as soon as possible an answer will be provided the hon. member.

*Inquiries of the Ministry*

## HEALTH AND WELFARE

### CONFERENCE ON SMOKING AND CANCER—REQUEST FOR REPORT FROM WORKING GROUP

On the orders of the day:

**Mr. P. B. Rynard (Simcoe East):** In the absence of the Minister of National Health and Welfare I should like to address a question to her parliamentary assistant. Yesterday, in reply to a question, the minister stated that all matters before the national conference on smoking were finally referred to a working group. In view of the great interest of the members of this house in this subject, may I ask if it is the intention of the minister to report to parliament as findings are made and conclusions reached by this group.

**Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare):** I shall be glad to bring this question to the attention of the minister upon her return.

**Mr. W. B. Nesbitt (Oxford):** May I ask a supplementary question. Can the parliamentary secretary say whether it is the intention of this department to do any research on this matter of the cancer-producing elements in tobacco, with a view to trying to find out (a) what they are and (b) removing them?

**Mr. Haidasz:** I shall be glad to bring this to the attention of the minister also.

### TORONTO—REQUEST FOR INCREASED HOSPITAL GRANT

On the orders of the day:

**Mr. Reid Scott (Danforth):** I wanted to ask a question of the Minister of National Health and Welfare, but in her absence I shall direct it to her parliamentary secretary. Has the government received a communication from the chairman of metropolitan Toronto pointing out that urgently needed new hospital construction cannot proceed on the basis of the present grant? If so, what plans does the government have in mind for increasing the grant in order to assist metropolitan Toronto and relieve this critical hospital shortage?

**Mr. Speaker:** Order. This is a question for the order paper.

## TRANS-CANADA AIR LINES

### USE OF WORDS "AIR CANADA" ON NEW PLANES

On the orders of the day:

[*Translation*]

**Mr. Robert Beaule (Quebec East):** Mr. Speaker, I should like to put a question to the Minister of Transport.

[Mr. Deschatelets.]

Could the minister assure us that the words "Air Canada" will appear on the DC-9 aircraft which are to be built?

[*Text*]

**Hon. G. J. McIlraith (Minister of Transport):** I cannot assure the hon. member as to the painting of the aircraft.

[*Translation*]

**Mr. Beaule:** Could I ask a supplementary question, Mr. Speaker? How is it that the Minister of Trade and Commerce nods his head?

[*Text*]

### WINNIPEG MAINTENANCE BASE—STATEMENT BY PRESIDENT AS TO COST

On the orders of the day:

**Mr. David Orlikow (Winnipeg North):** Yesterday, Mr. Speaker, a question was asked of the Minister of Transport regarding the T.C.A. maintenance base in Winnipeg. The minister stated he would look into the statement purportedly made by the president of T.C.A., Mr. McGregor, who is quoted in the *Globe and Mail* of last Saturday as follows:

> "If the Winnipeg base is worth that ($19,800,000) then Mr. Pearson is the man to decide," Mr. McGregor said. "I'm not pleased with any decision that has the effect of increasing T.C.A.'s costs."

I wonder if the minister has been able to get a statement from Mr. McGregor. I know that the government of Manitoba, which intends to bring a delegation to Ottawa about this matter, is very interested in getting all the facts. If that is the cost, I think the government of Manitoba is entitled to know on what these figures are based.

**Hon. G. J. McIlraith (Minister of Transport):** I was unable to hear the first part of the hon. member's statement because of some disturbance in the house. As to the latter part of his statement, I have no comment to make at this time.

[*Later:*]

**Mr. Orlikow:** Mr. Speaker, I do not think the Minister of Transport heard my question earlier, and I would like to rephrase it slightly. Can he bring to the house an explanation about the difference between the figure used by Mr. McGregor of $19,800,000 for keeping the T.C.A. repair base at Winnipeg, and the figures used previously by the government on other occasions? Can he do that shortly, or does he suggest that we wait until Mr. McGregor appears before the appropriate committee, at which time he will certainly be subjected to long and intensive questioning?

**Mr. McIlraith:** Mr. Speaker, I am not quite clear as to the difference in figures to which the hon. member refers. It is not possible for

me to say what a committee will or will not do, but I would expect that in the normal case the president of Trans-Canada Air Lines would be before the committee in a few days, and it seems to me that this question might be more appropriately dealt with at that time.

## TRADE

### OATS AND BARLEY—REQUEST FOR STATEMENT ON EXPORT POSITION

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 Trade and Commerce; possibly he will not be able to answer it now but would rather take it as notice. It has to do with the export possibilities respecting oats and barley. There was a statement made the other day, as the minister knows, by one of the commissioners of the wheat board to the effect that the situation in so far as these two farm commodities are concerned is not favourable for export. Would the minister be prepared to make a general statement in this connection so that the farmers affected in all parts of our country will have the views of the minister in this regard?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Certainly, Mr. Speaker. I am happy that the right hon. gentleman values my views so much.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** May I ask a supplementary question of the Minister of Trade and Commerce. Does he intend to make a statement at this session of parliament regarding the government's intention concerning the two-price system for wheat?

**Mr. Sharp:** No, Mr. Speaker, it had not been my intention to make any such statement.

**Mr. Douglas:** May I ask a supplementary question. Are we to take it from this that the government has dropped this as an integral part of its program?

**Mr. Sharp:** No, Mr. Speaker. I answered the question the hon. gentleman asked me, and I said it was not my intention to make a statement at the present time.

### WHEAT—AMOUNT RECEIVED BY BOARD FROM SALE TO RUSSIA

On the orders of the day:

**Mr. Raymond Langlois (Megantic):** Mr. Speaker, I have a question for the Minister of Trade and Commerce. Considering that in last week's sale to Russia the figure of approximately 500 million was mentioned, was that the price received by the Canadian wheat board in that series of wheat transactions?

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, that was an approximation. As I recall, it was the price to be paid by the Soviet union for the wheat on board ship in Canadian ports.

**Mr. Langlois:** As a supplementary question, that was the price paid by Russia, but was that the price received by the Canadian wheat board?

**Mr. Sharp:** Mr. Speaker, this is a very technical question. I see no urgency in it, but if the hon. gentleman would like an answer in detail I think he should put the question on the order paper.

## FISHERIES

### FEDERAL-PROVINCIAL CONFERENCE—OPPORTUNITY TO MAKE REPRESENTATIONS

On the orders of the day:

**Mr. Barry Mather (New Westminster):** I have a question I should like to direct to the Minister of Fisheries, and it has to do with the upcoming federal-provincial fisheries conference which will be held in a month or two. I understand that the fisheries council of Canada, that is the operators, have been invited to make representations to this conference. My question is, will the minister request the labour and co-operative groups of the industry to make similar representations?

**Hon. H. J. Robichaud (Minister of Fisheries):** To my knowledge no official invitation to the fisheries council of Canada to express its views at the forthcoming fisheries conference, which will be held here during the week of January 20, 1964, was extended. However, when inquiring about this possibility they were informed that they would be permitted to present their views on the opening day of the conference. Similar information was given verbally, on October 29, to the fishermen's and allied workers union of British Columbia, and a similar reply is being forwarded to the Ontario council of commercial fisheries, which wrote recently asking if they could be allowed to present their views.

I wish to make it clear that any labour or co-operative group interested in the fishing industry which will express its wish to give its views to the conference will be afforded a similar opportunity.

*Inquiries of the Ministry*

## REDISTRIBUTION

POSSIBLE INCREASE IN HOUSE MEMBERSHIP BEFORE COMMISSION ESTABLISHED

On the orders of the day:

[*Translation*]

**Mr. L. P. Antoine Belanger (Charlevoix):** Mr. Speaker, I should like to direct a question to the Secretary of State.

Could he inform the house whether the government intends to introduce, during this session, legislation to amend the British North America Act in order to increase the number of federal members, and that, even before the proposed commission now under consideration has made a start?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, I notice the question of the possible amendment of section 59 of the British North America Act, for the purpose the hon. gentleman suggests, has been discussed a great deal in the press. The government at the present time has no intention of making any such recommendation; but as I indicated yesterday in the debate on the subject of redistribution, this is a matter about which members of the house will probably wish to make representations, as the hon. member for Winnipeg North Centre did. I am sure the most careful consideration will be given by the whole house and by the government to any such representations.

## WORLD FAIR

INQUIRY AS TO CONSTRUCTION OF BRIDGE AND TUNNEL

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, I wish to direct a question to the Minister of Public Works. Could he tell the house if the federal government intends to pay part of the building costs for a second combined bridge-tunnel which would connect both shores of the St. Lawrence river, and cut through Ile Verte? That project, conceived in view of the world fair, has been announced by the minister of municipal affairs of the province of Quebec.

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, this plan has been conceived by the world fair authorities, but the federal government has not received, as yet, any plans or specifications.

[*Text*]

## HOUSE OF COMMONS

REPORTED STATEMENT BY MEMBER FOR RED DEER RESPECTING POSTMASTER GENERAL

On the orders of the day:

[Mr. Robichaud.]

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, I would like to direct a question to the Postmaster General. I wonder whether his attention has been drawn to a news dispatch of the Edmonton *Journal* of late last week which states as follows:

National Social Credit leader Robert Thompson has charged that Canada's Postmaster General was lying to parliament, comparing the action with the John Profumo affair.

This article is referring to certain discussions that took place in this house. I am asking, Mr. Speaker, whether the attention of the Postmaster General has been drawn to this very serious charge.

[*Translation*]

**Hon. Azellus Denis (Postmaster General):** No, Mr. Speaker, I have not seen the article in question. I shall read it and, if need be, take whatever steps are necessary.

[*Text*]

## REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

The house resumed, from Tuesday, November 26, consideration in committee of the following resolution—Mr. Pickersgill—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure 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; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the Chief Electoral Officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure; and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide for the establishment of electoral boundaries commissions, including expenses of administration thereunder.

[*Translation*]

**Mr. Caouette:** Mr. Chairman, I rise on a question of privilege. The hon. member for Winnipeg North Centre (Mr. Knowles) is reported on page 5131 of *Hansard* as saying the following during the debate on this resolution, yesterday afternoon:

[*Text*]

My hon. friend from Villeneuve is interjecting. I happened to notice his name in one of these *Hansard* volumes, when he was here before as the hon. member for Pontiac, and I find that on one occasion he too voted against redistribution by an independent commission.

[*Translation*]

Mr. Chairman, I wish to set the record straight. I have before me the official report of the debates of the House of Commons for February 24, 1947, and on page 697 I find the amendment introduced at that time by the hon. member for Winnipeg North Centre. I quote:

This bill be not now read a second time but it be resolved that in the opinion of this house the readjustment of the representation in the House of Commons should be referred to an independent commission to be appointed for that purpose.

As reported on the next page, I stated then:

As for the amendment of the hon. member who spoke before me (Mr. Knowles), I grant him the right to his own views. Once again I repeat that I do not, in the least, fear the manner in which the government, or the committee which is to be appointed, will proceed to the redistribution of electoral constituencies.

However, the hon. members whose constituencies will be affected should be invited to state their case. I imagine the committee will invite all those concerned, those hon. members to come and see how that committee works, how redistribution is done in their respective constituencies.

This is what was going on in 1947. Well, the vote was taken on February 24—page 737—and contrary to what he was saying yesterday afternoon, my name does not appear among the hon. members who voted. I did not vote either for or against it, but I took position anyway in regard to the way the government was behaving then.

[*Text*]

**Mr. Knowles:** Mr. Chairman, very briefly on this question of privilege may I apologize to the hon. member for making a statement yesterday which technically was inaccurate. He interrupted when I was speaking, as hon. members will recall, and from memory I recalled the debate in 1947. I should not have said that he voted against my amendment because, as he has now pointed out, he did not vote at all on the amendment. What was in my mind was that the members of his party had voted against it and that he, by the remarks he had made, had in effect spoken against my proposal for an independent commission. I apologize to him. If I had said he had spoken against it, rather than that he voted against it, I would not have been in error.

**Mr. Lambert:** Mr. Chairman, I do not wish to traverse what has been said by hon. members who have participated in this debate prior to this afternoon. We have heard members of very long experience in this house, particularly the right hon. Leader of the Opposition and the hon. member for Winnipeg North Centre, speak on this matter. I put myself in the category of rather approaching middling years in this house, and I think all hon. members will agree that, regardless of the length of time they have served in the house, as one goes along in years of service here he forms a greater admiration for our parliamentary system. With all its imperfections, one develops a greater and greater affection and respect for this house, notwithstanding some of the things that may be said elsewhere, many times without too much knowledge.

Be that as it may, Mr. Chairman, we do face a problem as regards redistribution. I will not go into the details of that problem, as to the differentiation between an urban voter and a rural voter, the great disparities between some electoral divisions, some protected by a statutory floor provided in the constitution as against those rather large and, as I believe the hon. member for Carleton is wont to use the term, suburban constituencies that keep growing and growing and growing. I represent such a constituency, and many times people have said to me, "How is it that it requires five, six or seven persons to equal the representation given to a much smaller riding in the eastern provinces?" This includes the provinces of Ontario and Quebec, and of course those in the maritimes, which it is understood are covered by a statutory floor. We do have these rather grave disparities.

The right hon. Leader of the Opposition made reference yesterday to a certain province where he thought the population of two cities, unidentified by him, represented half the population of that province, and yet they had less than a quarter of the seats in the provincial house. This happens to be the province of Alberta, and I know that in so far as the cities of Edmonton and Calgary are concerned, it is very clear that they are very much under-represented in the provincial house. I would be interested to know just what proportion hon. members of the Social Credit party think would be the proper balance as between urban and rural voters.

However, one thing does puzzle me, and that is the nature of the resolution that is before us. I have seen some omnibus resolutions in the past, but this must come close to being the champion of them all. I do not know how many bills the Secretary of State intends to bring forward in connection with this resolution, but it does speak of at least two measures, and therefore I assume there will be at least two bills. If I read correctly his remarks of yesterday in concluding his speech, the Secretary of State did refer to "bills".

*Redistribution Commission*

**Mr. Pickersgill:** Mr. Chairman, perhaps I could clear this up and save the time of the hon. gentleman and the committee. There is one bill that depends on this resolution. That bill will provide not only for the payment of the representation commissioner but also for the expenses of any boundary commissions or commission which may be set up. That will all be done, and there is a department or agency for this purpose. There is another bill, of which there is notice on the order paper which, because the expenditures are all being made in connection with the first bill, I was advised did not require a resolution. They were the two bills I referred to; but there is only the one bill depending on this resolution. That bill also makes one or two consequential amendments under the Canada Elections Act.

**Mr. Lambert:** I am grateful to the Secretary of State for clearing up that point, but I am wondering about the wording. Let us go to the nature of the resolution. The first portion says:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure—

That is clear, and I think it is the main purport of this resolution. Then there are consequential provisions to provide for the payment of salaries for the commissioners and those persons whom they require to assist them. That too is quite clear. It says:

—and to define the duties of the commissioner under the said measure, in addition to those assigned to him—

that is the representation commissioner—

—under the Canada Elections Act—

Now, that must mean under the Canada Elections Act as amended, because I have perused the Canada Elections Act and I must say, subject to correction by someone better informed than I, that the words "representation commissioner" do not appear in that act. I think there is a little looseness in wordage here which will have to be cleared up in due course; perhaps the Secretary of State will make note of these matters for his explanations in due course, so that they may be coherent and in sequence. Then, third, it continues:

—and under a measure 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—

That is all relating to the representation commission. The next few lines of the resolution are all consequential and are quite clear; but when I come to the seventh last line I find some difficulty in understanding. Although we are dealing with a measure concerning a representation commission and what is to follow therefrom, we have a completely extraneous thought introduced, namely:

—to increase the salary of the chief electoral officer of Canada—

—and now we come to an amendment of the Canada Elections Act—

—and to effect certain other changes in the Canada Elections Act consequential upon the said measure—

I ask, what measure? There have been two measures before us already, so therefore I think we need some technical explanation and clarification.

I have perused the remarks of the Secretary of State made yesterday afternoon, but I think that before this committee is asked to adopt the present resolution the appropriate changes in the Canada Elections Act should be indicated. Otherwise I put it to the Secretary of State that he is asking us to buy a grab bag—

**Mr. Pickersgill:** Might I just ask the hon. member a question. He was a former presiding officer of the house and, if I recollect some of his rulings he ruled that the adoption of a resolution only gave the government permission to introduce a bill, and did not approve a bill. I suggest that all this resolution is asking for is this: It is saying that it is expedient to introduce a measure on which this house would exercise its judgment when it saw precisely what it was going to exercise its judgment upon. If that is not a correct interpretation of this resolution perhaps the hon. gentleman—

**Mr. Lambert:** So far as the argument the Secretary of State now wishes to make in the form of a question is concerned, namely that he is asking the committee to approve a resolution referring to certain changes to a certain act, I think we should be taken into the confidence of the Secretary of State in the matter.

**Mr. Pickersgill:** I would love to. I thought I had done that in the remarks I made yesterday.

**Mr. Lambert:** I do not believe that is so, and I think we should have this information. But be that as it may, so far as the resolution is concerned. I will be interested to see just how the bills are drafted and what they will provide.

Let us now turn to the main portion or purpose of this resolution, which is the question of the representation commissioner and the commissions. The Secretary of State did indicate that there were alternatives which had been opened, and I think he was very fair, almost beguilingly fair, in his approach to

the whole problem which is before us, namely whether there should be one commission, four commissions, or ten commissions. He indicated that if there were one commission of unspecified number it would take until 1968 before the report of that commission could be formulated and acted upon, and an election held in consequence. I should like to know the reasons which led to the decision or conclusion that it would take five years before that commission could sit, make its report, have it adopted and the electoral machinery put into operation as a consequence of the changes made.

**Mr. Pickersgill:** The hon. gentleman appreciates that that was not my view. I was merely giving the view of the chief electoral officer.

**Mr. Lambert:** Perhaps the Secretary of State has been taken into the confidence of the chief electoral officer and given those reasons. Personally I have some reservation about ten commissions. Notwithstanding the fact that there is a formula for the representation commissioner of Canada to be an ex officio member of each of the provincial commissions, I would think that there would be the likelihood of a difference in interpretation of the criteria or extenuating circumstances permitting the commission to deviate from the norm. It is for that reason that I feel it is quite important that we have consistency in this regard; I think we should and must have it.

Let us assume for argument's sake that they are permitted to depart from the quota to the extent of 25 per cent. In one province they may interpret that as being 23 per cent, but in another province only 18 per cent, because it is permissive up to 25 per cent, and they would try to be as far away from the 25 per cent in certain cases as possible. I am wondering whether among the factors which will be considered by the proposed representation commissions there will be such contingencies as those which apply in Australia—the community or diversity of interest, means of communication, physical features, existing constituency boundaries and provincial electoral boundaries, etc. These are all matters which must be considered. Then there are historical boundaries, which must also be taken into account.

I have yet to be persuaded by the Secretary of State that ten commissions would be preferable to one. If it is felt that one commission would take too long in reaching its decision, why not appoint a larger commission which could be subdivided into committees dealing with specific areas? All those concerned could then work together to produce a final report. I feel this would be preferable to having ten independent commissions related through the person of the representation commissioner. We all feel, perhaps, in the shadow of the excellence of the person who may be designated to fill this post but, being mortal, he cannot be with us forever and his successors may not be as acceptable in their qualifications.

If the government does intend to proceed on the basis of ten provincial commissions, I should like to know with some precision who the persons to be appointed are going to be—not necessarily by name, because it might be invidious or even impossible to include the names in the legislation. But, let us say we have first of all the chief justice of the province. Then someone suggested the president of the university. But some provinces, like Ontario, do not have a state university, neither does Quebec. One might appoint the clerk of the elected assembly. In Australia—and I am subject to correction here—there is a state legislative official who usually sits. So I offer that as a suggestion—that the clerks of the legislative assemblies be included. Such persons as these could be identified by the offices they hold. They are not identified by name. This would dispose of the criticism which could easily be levelled against a formula which provided that one member should be named by the Prime Minister, one by the Leader of the Opposition and a third by agreement—and if there should not be agreement, then by the governor in council. We know this would be likened to packing the court, because there would never be agreement; it would not be in the interest of the government of the day to accept any suggestion made by the Leader of the Opposition. This is why I would prefer to see a completely independent commission.

I would rather see one commission composed of as many judicial officers as possible, because we must wish to remove partisan political bias from this area. If we say we cannot remove political bias from such a body as I have suggested we are accepting the proposition that our judges are politically biased; and I do not think anybody would "buy" that as a general proposition. So I would like to see a judicial commission composed as far as possible of judges, from different parts of the country, named by the government and by the opposition. It would have to sit once in ten years; it might have to sit for a couple of years while its members were, in addition, carrying out their other duties. Let us not say it would be wrong to do this, bearing in mind the number of judges we have and the practice followed by both this and previous administrations of taking judges away from their normal function. Possibly I am prejudiced,

being a lawyer, but I think these men are eminently qualified to carry out these special duties.

A suggestion was made by the hon. member for Winnipeg North Centre or by the member from Fraser Valley that the number of members of parliament might be increased. I cannot, myself, accept that suggestion as a way out. I do not think it is necessary to increase the number of members of parliament. To think in these terms implies, I would suggest, a misconception of the role of a member of parliament. I know there is some difference of opinion about this, and I do not intend to enter upon a philosophical discussion at this time, but I believe the prime duty of a member of parliament is to be a legislator, not necessarily an ombudsman for his constituents. True, that in part may have become his function, but let us go back to the fundamental reason for the existence of this chamber and of parliament. Members are here for the purpose of granting and withholding supply and of enacting legislation. They are legislators, first. As I have indicated, I do not believe we should try to deal with the disparity in the size of constituencies by increasing the number of members—not in this country, with a population of 19 million. We know that in the British house there are 600 odd members representing a population of some 50 million. The French national assembly has 500 odd members for a population of roughly the same size.

**Mr. Knowles:** Ours are not odd, except the hon. member for Port Arthur.

**Mr. Lambert:** Well, I will make it "500 plus".

There is one final question I would put to the Secretary of State. Would there be provision for an appeal from a decision of the commissioners within a province before a report was made to parliament? Somehow, I think there should be an intermediate step. I feel that if a certain proportion of the members from a province were so minded, if they believed a wrong principle had been applied or that some grave injustice was being done, they should have access to some means of appeal before the matter came to parliament for final determination. I put this forward as a suggestion for consideration. It may be there are more minuses to it than pluses, but I do think it would be better if provision were made for such a review within a province, rather than before parliament where the membership from a province might be lost in the ensemble of the far greater number gathered in this house.

I have referred to a number of questions which bear upon the subject and, in closing, I would only say that I shall be most interested to see the bills and the provisions they contain. Again, I would address a word of caution to the Secretary of State. I know it is not necessary to disclose in a resolution all the details of the legislation to be contained in the bill which is to follow but, in these circumstances, to ask the committee to accept certain unspecified changes is, surely, asking a great deal. If I am asked to vote for a resolution which includes the words "to effect certain other changes in the Canadian Elections Act" I am obviously at a disadvantage because I do not know what is meant by those words.

He may have a little clause at the end saying that this act is hereby repealed and re-enacted. There are a few other things that could be very dangerous, and if he has failed to disclose them and if we have failed to question him about them I do not think we should accept the resolution in principle until he does so. I hope the hon. gentleman will make these disclosures to the house, because I think we could then look upon the resolution with a little more equanimity than we can at the present time.

**Mr. Knowles:** Would the hon. member for Edmonton West permit a question? My question relates to the interesting observations he made about the problems connected with increasing the size of the house. I think we all appreciate those observations and accept the fact that there is a problem. However, has the hon. member any suggestion to make as to how we might cope with the situation that would develop if some provinces were called upon to lose seats, not having the protection of a senatorial floor that other provinces have? I ask this question in the same good faith in which he made his observations. Does he have any suggestion to make to cope with this problem?

**Mr. Lambert:** I agree that this does present a sort of public relations problem but, be that as it may, is there an accepted principle of a vested interest by a province in a specified number of members in the house? We know the historical reasons—

**Mr. Pickersgill:** It is evident the hon. gentleman comes from Alberta and not from Saskatchewan.

**Mr. Lambert:** That may be, and maybe it is a little easier to be on the side of the haves than the have nots. But we know that certain of the Atlantic provinces have statutory floors. This was a condition of admission into confederation.

**Mr. Knowles:** We also have a floor, but it is no help to us.

**Mr. Lambert:** I realize that Manitoba can go down to six and no fewer. But does it

mean any more to say that, instead of reducing the number on this hand we will increase the number proportionately on the other hand? Proportionately one would have to increase the numbers in the provinces of Ontario and Quebec and perhaps in other provinces. Therefore I do not think there is any great difference between a province having 12 members and being reduced to six and its remaining at 12 members while others are increased to 24. Any way you look at it the others still have double the number of members. Why go through all that change to get ourselves into other problems and complexities? I crave the indulgence of the house for having developed arguments more than answering questions, but I have put forward these arguments in support of the principle I enunciated.

**The Chairman:** The hon. member for York-Scarborough.

**Mr. Pickersgill:** Mr. Chairman, without my taking the time of the hon. member for York-Scarborough I wonder whether he would permit me a few minutes to clear up one point. I am not going to attempt to reply to the hon. member for Edmonton West now. I think he made a very constructive speech. However, there is one point in the resolution itself that I thought I had explained yesterday, but on looking through *Hansard* hastily I find I did not. I think I perhaps explained it somewhere else to some of the hon. gentleman's friends. I was pretty frank yesterday about my own views, and I expressed my own view as to who would be the most suitable person to be the representation commissioner. I am glad to see that my views on this matter seem to have found an echo in all quarters of the house.

We know it is a very difficult task indeed that the chief electoral officer has in that office, and I believe that the feeling is shared on both sides of the house, perhaps in all quarters of the house, that it would be desirable to provide for a transitional period at least and maybe for something more than that when, after the appointment of a new chief electoral officer, the person to be made representation commissioner would have certain functions given to him under the Canada Elections Act of a perhaps somewhat supervisory and appellate character, which would not be envisaged to be of a continuing character necessarily over a long period, but which would provide for a transition.

It is for that reason that, in the proposed bill to set up the office of representation commissioner and to provide for the financing and the administrative machinery, as well as the hiring of the clerks and so on that would be required to assist the boundary commissioners in carrying out their functions, it is suggested that certain consequential amendments should be made to the Canada Elections Act giving the proposed representation commissioner certain functions under the Canada Elections Act, redefining the functions of the chief electoral officer and providing for a salary for each of these officers. The salary, of course, has always been provided by statute and has never been left to the governor in council, for the same reason that judges' salaries are fixed by statute, so that the governor in council, even by the fixing of the salary, could not be said to be seeking to interfere with their complete independence. That is the sum and substance of the reasons why these amendments to the Canada Elections Act are included within the scope of the bill it is proposed to introduce, once this resolution has been passed.

As for the drafting of the resolution, the hon. gentleman is a lawyer and I am only a layman and I do not pretend for one minute that I drafted it. It was drafted by the law officers who are far more competent than I am. If I as a layman were going to draft it I would put "will have been" and tenses of that sort in it. I think it could be drafted even better in French than in English, because there is more precision in the use of French verbs than in our sloppy way of doing things.

To my own knowledge, and I am sure to the knowledge of the hon. member for Edmonton West, the draftsmen have drafted a great many resolutions and I am sure they have taken these matters into account, but I will bring his observations on grammar, syntax and style to the attention of the draftsmen and if any changes should be made we will seek to make them. But I did want to clear up this one point of fact as much as I could, because the house is entitled to know about it and I am seeking to be completely frank.

**Mr. Moreau:** Mr. Chairman, it is not my intention to delay the committee very long, in view of what I consider to be the extreme urgency of this legislation. There seems to be general acceptance of the principle of redistribution, and the fact that we should have an independent commission do the job. There also seems to be general acceptance of the statement by the Secretary of State that the whole house has a responsibility to get on with the job, and I did not perceive any contrary views in listening to the lead-off speakers for the parties on the other side of the house. I am sure this unanimity will not always exist when we are considering the specifics of the legislation, but if we are determined to proceed to get the job done I

am sure we can work out an acceptable, fair and equitable solution to the whole problem.

It seems to me that we must face up to the fact that the house no longer reflects the make-up of our nation through its elected representatives. The shift in population from rural to urban, which has accelerated very rapidly in recent years, has resulted in very serious inequities in representation in the house. These inequities are well known, and it is not my intention to dwell upon them at length. However, it might be useful to make a few comparisons by way of example of what really has happened since 1952. I am going to compare the rural and urban situations, rather than getting into other complicated factors such as constitutional guarantees and so on. In fact, I intend to stick within my own province of Ontario to indicate how the situation has got quite out of hand.

The constituency of Grey-Bruce has a population of approximately 36,000 people, and they elect one member to this house. On the other hand, the constituency of York-Scarborough, which I have the honour to represent, had a population according to the 1961 census of 267,000 people. Now, this is a ratio of one to seven. Surely, the first consideration of responsible government is representation by population. I am equally certain, Mr. Chairman, that a man with the capabilities of the hon. member for Grey-Bruce is capable of looking after twice as many people. I am sure, for that reason, we will probably not hear very much objection from him.

When I was coming into the chamber, someone told me that there was a total of 280,000 farmers in the whole of western Canada. The population of my constituency has increased since 1961 and I now have more people than the total number of farmers in western Canada. I hasten to add that I realize I am comparing nuts and bolts, or something to that effect, and I do not expect my remarks to be taken too seriously.

**Mr. Fane:** Nobody will.

**Mr. Moreau:** Much has been made in the debate so far about the difficulties of campaigning in large rural or sparsely populated ridings. I can assure hon. members that the difficulties of organizing a campaign in a riding like York-Scarborough, which in the last election had 643 polls, are equally great. I can assure hon. members also that the difficulties of serving such a populous riding after being elected are literally impossible.

The Leader of the Opposition indicated yesterday that he favoured a one third tolerance from the average representation per constituency, and he went on to point out the difficulty of communicating with constituents in a very large riding. As the hon. member for Winnipeg North Centre has said, the difficulties envisaged at the time of confederation in connection with this question have been dissipated by the improved channels of communication and methods of travel. However, I think we have to recognize the special situation of those far northern constituencies such as Churchill, Saguenay and so on. Mr. Castonguay has reported to us that in Australia they make a 20 per cent tolerance work very well indeed, in spite of the fact that the differences in population density in that country are similar to our own, where the development is largely a ribbon development along the sea coast, with vast stretches in the interior that are sparsely populated. The situation in Canada, therefore, is not so different from that in Australia.

In spite of the fact that I represent an urban riding not too far from Ottawa, I find that because of parliamentary duties, the hours of sitting and so on, my constituents must, for the most part, communicate with me by mail. Indeed, a great number of them have complained already that I am never available in my riding. I suggest, Mr. Chairman, that since the members must be in Ottawa in any case, and since mail and telephone services are not very different in most constituencies, whether they be rural or urban—with the exception of the northern ridings—we have virtually the same problems. Our constituents really must communicate with us for the most part by mail. I suggest, Mr. Chairman, that the members of the committee should consider seriously the adoption of the 20 per cent formula.

I suggest we could make special provisions for those constituencies outlined in schedule III of the elections act. For the benefit of those members who are not familiar with this schedule, I would indicate that in the province of Ontario we would have the constituencies of Cochrane, Kenora-Rainy River and Port Arthur. In the province of Quebec, we would have the constituencies of Chapleau and Saguenay. In the province of Newfoundland we would have the constituencies of Bonavista-Twillingate, Burin-Burgeo, Grand Falls-White Bay-Labrador, Humber-St. George and Trinity-Conception. In Manitoba, we would have the constituency of Churchill. In the province of Saskatchewan, we would have the constituencies of Mackenzie, Meadow Lake and Prince Albert. In the province of Alberta, we would have the constituencies of Athabasca, Jasper-Edson and Peace River. In the province of British Columbia, we would have the constituencies

of Caribou and Skeena. The Northwest Territories and the Yukon, of couse, would be treated quite differently. The special provision might take the form of a formula in which the land area could be included along with a minimum population in determining the boundaries of these constituencies. Perhaps this would dispel a great many of the fears the members from those constituencies might have about the difficulty of representing these large ridings. Perhaps we could include the minister from Bonavista-Twillingate amongst those.

**Mr. Winkler:** You are not going to wipe that one out, too, are you?

**Mr. Moreau:** I am trying to dispel his fears.

**Mr. Pickersgill:** You could not wipe that out.

**Mr. Moreau:** Another factor that should be considered by the commissioners is that of growth. I suggest that the suburban ridings that are experiencing a very rapid growth should contain the minimum population requirement under whatever tolerance is accepted. Some members might ask, who is to determine which are the most rapidly growing suburban ridings? I suggest we could use, at least initially, as a measure the increase in voters between 1962 and 1963 elections. In my riding of York-Scarborough, for instance, we had an increase of over 10,000 voters in that eight month period. Certainly, since the 1961 census the population has risen from 267,000, and by now it must be past the 300,000 mark.

During the debate yesterday, Mr. Chairman, there was some discussion as to whether we should have one or ten commissions to do the job of redistribution. The hon. member for Edmonton West indicated that perhaps we could modify this somewhat and set up subcommissions of a national commission. Whatever mechanism we use, Mr. Chairman, I suggest the commission should be made up of representatives of the province, whether it be a commission or a subcommission. The hon. member for Edmonton West also indicated problems of communities with diverse interests, the importance of communications, to boundaries of provincial ridings, and so on. I would think that commissioners from a province would be in the best position to assess these factors as they applied to local conditions, and then I think they could more intelligently recommend the riding boundaries that we should have.

It is my opinion that the job could then be done very much more quickly, as the Secretary of State has indicated. Certainly, I can assure hon. members that the people in my constituency are clamouring for a change in our riding boundaries.

**Mr. Knowles:** What kind of a change?

**Mr. Moreau:** I would hope that a change in the riding boundaries would be as far as they would go. The hon. member for Winnipeg North Centre also indicated that there has been a measure of education in the various parties with regard to redistribution being done by an independent commission.

He went on to say that for the first time the Liberals, when in power, have committed themselves to this principle. I would like to remind him that it was a Liberal government in Manitoba which accepted this principle. I happened to be living there at the time and took part in the debate that went on during that period. It was a Liberal government that initiated the present system, about which the hon. member was so complimentary last night.

**Mr. Knowles:** Would the hon. member permit me to say I am glad he has drawn attention to that fact, and I confirm what he said. However I am sure he realizes that in what I said last night I was referring to the federal Liberals.

**Mr. Moreau:** I appreciate that. The hon. member for Lapointe wanted us to write in some sort of constitutional guaranteee for the province of Quebec. I find this approach quite repulsive. I do not see how we could write in a constitutional guarantee for a province as large as Quebec when we cannot predict what changes will come about in the distribution of population in this country. I think the other provinces would immediately clamour for similar guarantees, and in effect we would be freezing the present provincial representation in this house.

As a foundation for his argument he indicated the fair treatment the English minority receives in Quebec in other matters, including provincial redistribution, but I want to indicate to him that the French minorities in other parts of the country receive pretty fair treatment by and large, and I can indicate the treatment I received in Toronto with the 22,000 vote majority the electors saw fit to give me.

In conclusion may I say how pleased I am that we are getting on with this most important job. On behalf of my constituents I wish to say how grateful they are that the government initiated the preparation of maps and population statistics immediately upon assuming office, which documents will be considered by the commissioners after the commissions are formed. The Manitoba experience indicated that the compilation of base

maps and statistics took about a year before the Manitoba commission was able to operate effectively. I cannot help but feel optimistic, seeing the general agreement in the house and knowing the preparatory work has virtually been completed, that we can have redistribution before another election.

**Mr. Aiken:** Mr. Chairman, the discussion to date has been conducted on a very high plane. We all seem to be tending towards an impartial commission, but I think all of us are trying to make sure it is impartial in our favour. It is the old story of us all being equal but some being more equal than others; and I get the feeling from the discussion we have had that we want to make sure we are all dealt with equally, and that the coming redistribution does not end up with some being more equal than others.

It is very difficult to assess the expediency of adopting this resolution without having before us fairly complete particulars of the electoral boundary commission proposals. Actually we are discussing the resolution for a representation commissioner, and it has been agreed we can discuss in general the question of redistribution. I think that the really basic part of redistribution will be found when we eventually come to it in the bill which is in the name of the Secretary of State, providing for the establishment of electoral boundary commissions.

Some of us have wondered why the Secretary of State put this bill on the order paper as a bill for first reading, when normally it would be required by resolution. He has explained to us that in the bill he intends to introduce there will be no provision for payment of public expenses and therefore it will not be a money bill. But we are involved in two difficulties. The first is that we are discussing a resolution on one bill which will depend upon another for its final implementation. We are going to have two statutes. If we pass the resolution we are now concerned with, and do not pass the electoral boundaries commission bill in the same form in which the government presents it, then this may cause some very considerable difficulties.

What the Secretary of State said about redistribution was more significant for what it left out than what it included. It included the title of a bill, and I suggest that if he had introduced the bill on electoral boundaries commissions by resolution it would have more particulars in it as to what we were considering, and we would not be dealing merely with the title of a bill and its general intentions. I think we are working under considerable difficulties, and the Secretary of State was not very clear in setting out the criteria under which the electoral boundaries commissions would act when they are set up.

However, we have to decide what is before us, and that is whether or not it is expedient to adopt a resolution to appoint a representation commissioner, and to bring in a bill in general terms along the lines of that resolution.

We have first to consider what are the real fundamentals in redistribution, and number one among these is the basis on which seats are to be added or altered. We ought to know the population and geographic content which is to be used in setting up each riding. We ought to know how many people, on an average, are to be included in a riding, and the percentage by which the commission will be authorized to deviate. That is basic to this type of bill and it has not been given to us yet. We are left in considerable doubt about the real fundamentals on which the government intends to redistribute the electoral seats.

The second thing we have to be sure of is that the job will be done in an objective and non-partisan way. I think that the intended nomination of the chief electoral officer as representation commissioner will be accepted by everyone in the house, but under present circumstances he will merely be a co-ordinating person and not the person by whom final decision is made. Therefore at this moment we do not have any assurance of equal, objective and non-partisan redistribution below the level of the one person who is well known to this house.

Third, we need some assurance that redistribution will be carried out equally in all provinces. This is one of the shortcomings of the proposal for 10 commissions because, unless the criteria are set down very carefully, each of the commissions could very well be operating on a different basis. Representation in the House of Commons is not a provincial matter. The number of seats in each province is set down in the British North America Act. The manner in which representation shall be made from each province is not. We believe we should have equal representation across Canada. It might very well be that in one province greater stress will be laid on urban ridings and less on rural, and in another province completely different criteria will be used.

Finally, Mr. Chairman, I think we should be told before we pass the resolution—and I do not believe we have been told—whether it is really the intention of the government to increase the number of seats. I was under the impression that the number of seats could not be increased without an amendment to the British North America Act or a special statute of the parliament of Canada, but I

find that section 52 of the British North America Act permits the number of members in this house to be increased by parliament, provided the proportionate representation of the provinces is not disturbed. Therefore we need no formal act or amendment to the British North America Act to increase the number of seats; it could very easily be done right in the statute we are considering, or in the other one concerning the electoral boundaries commission. I think we ought to know which of these alternatives is in the mind of the government before we pass the resolution. I say that the Secretary of State has touched very little on these four matters.

I think we should be told the population average that is to be accepted, and the percentage of deviation. Figures of 20 per cent, one third, 25 per cent, and so forth, have been mentioned. These are not just figures taken out of the air. Each percentage of deviation allowed under the act will affect a great many members, and 5 per cent can make the difference as to whether a riding is to be altered or left. I think geographical limits should also be discussed; how large or how small a riding should be in connection with its geographical location. Also, I think we should know what level of tolerance will be permitted between urban and rural ridings. We do know that in general members in rural ridings represent fewer constituents. The hon. member for York-Scarborough is a classic example of what happens in an urban riding at the moment.

We should know what is in the mind of the government in connection with these questions. Other matters are also important. There is the matter of main roads and connecting roads. It has been suggested that the surveyor general and the dominion bureau of statistics could provide a great deal of information on this matter, and this is perfectly acceptable. But we cannot just draw lines on a map and redivide these constituencies. It is not too satisfactory at the moment in many ridings. The centre of gravity of the riding may be a good many miles from the northernmost or southernmost limits of the riding, and yet in another riding the centre of gravity may be much closer. I think communications are important. Radio and television are becoming more important than they used to be. I personally have no television station directly in my riding; I have to use one near the north end of the riding and one at the south end. I am not asking for any change in this regard because I think the riding which I represent is sufficiently large and well populated to be left alone.

This brings me to another point. I would like the Secretary of State to tell us, if he will, whether, if a riding comes within the rules or the criteria of population and deviation, it will be left alone. In other words, if it is between minimum and maximum within the rules set down, will that riding be left alone in name and geographic boundaries? Or even if it comes within the limitations that are set down, will there be fiddling around with the outside boundaries of the riding? I think we should know this, because while some of the most serious problems concern the elimination of ridings by absorption into adjacent ridings, there is also quite a serious problem in regard to adding to or subtracting from ridings which at the present time are perfectly satisfactory, having regard to all the criteria that could be set down.

In connection with the commissioners, I agree to some extent with the suggestion of the hon. member for Edmonton West that perhaps we cannot name the individuals who will be commissioners under the legislation, but I think we should provide in the bill that they be named by resolution of the house. If we do not choose to name people in the bill that we pass, if we merely set out the type of persons they should be, and if the Secretary of State and the government want to keep this matter, in fact as well as in theory, a non-partisan and impartial commission or commissions, the persons appointed should be named in the house, either in the bill or by a supplementary resolution. I think only by doing this can we say there will be an impartial naming of these people, and it will not merely be a case of the government appointing people who they are quite satisfied will follow the general lines the government desires to be followed. I believe these people should be named.

Arising out of this, Mr. Chairman, it must follow that I do not agree with there being ten separate commissions. I agree that we should have a strong central body, a strong central commission, made up of a commissioner and people such as the surveyor general, an official from the dominion bureau of statistics and judicial persons. These people would make up a satisfactory central body and I think that in order to keep equal representation across the nation this primary function should be carried out by simply one body. If in each province it is desired to have people working on this problem and making representations to the central body, I would have no objection; I think that is necessary. But I think there should be a central body which would make the final decision in connection with the whole question of distribution. The provincial people should not be asked to form an independent commission.

This is one of the things we are worried about. We will have ten independent commissions and will not know who is going to be on them. If you are to have this number of people, 30 commissioners, you will have diversity of opinion, diversity in the application of rules and you will have great no trouble in agreeing that the present chief difficulty in obtaining people who are acceptable to the house in general. We would have electoral officer should be the representation commissioner. We would probably have no difficulty in agreeing on five, six or seven other people to form this commission. But if you are going to have 30 people and are taking them from different places across the provinces, I think there will be feeling that it is not going to be impartial, it is not going to be fair and—

**Mr. Pickersgill:** Mr. Chairman, I wonder whether the hon. gentleman would let me ask him a question?

**Mr. Aiken:** Yes.

**Mr. Pickersgill:** Does the hon. gentleman think it would be acceptable to the people of Ontario or to the members from Ontario if this commission of six or seven which he envisages included nobody from Ontario?

**Mr. Aiken:** Well, I would agree with that. If we have seven people acceptable, I do not think it matters whether or not they come from Ontario.

**Mr. Pickersgill:** That was not the question. I did not ask for his personal opinion; I asked the hon. member if that would be acceptable generally across Ontario.

**Mr. Aiken:** I see no reason why it would not be. The province of Ontario, and I say this with some pride, I feel leads the nation. I think the attitude taken by the Hon. John Robarts, premier of Ontario, in connection with the dominion-provincial conference is a very good example of what Ontario is prepared to do to bring about uniformity in Canada. I believe he sets that up very well in his approach to the present conference. He says that we must have a formula which is acceptable. He knows that Ontario must be the main provider of taxation revenue, and we in Ontario are prepared to accept that and are prepared to accept the fact that our taxes will be distributed among other provinces in greater need. That has been very well set forth, and I would say for myself—I cannot say it for anyone else—that if there were a commission of seven people set up and not one of its members came from Ontario we would be satisfied, so long as they were suitable people.

**Mr. Howe (Wellington-Huron):** What about Newfoundland?

[Mr. Aiken.]

**Mr. Aiken:** I do not think we need worry about Newfoundland. Newfoundland will be well looked after.

I should now like to make one reference to the statement of the Secretary of State, as reported at page 5113 of *Hansard*, where he was discussing the question of who is to be appointed to these commissions. I was hoping that he would have been rather specific about it and would have said who the government had in mind. Perhaps he will later on before the bill is passed. The hon. gentleman said:

> It seems to me these are the kind of people one would naturally look to.

He had just described them.

> Of course, this is a problem with which we will deal when we get farther along.

I should like to ask whether he means farther along in the bill or farther along in the procedure.

**Mr. Pickersgill:** I thought that since there is a procedure suggested in the bill, of which I have given notice, it would have been preferable to deal with that when the bill comes before us. But I do not mind telling the hon. gentleman, if he would like the answer now, what is said in the bill. I know sometimes there is a technical point taken about not disclosing what is in bills to follow; but what is suggested in the bill—and the government is open to alternative suggestions—is that the boundary commissioners in all the provinces, apart from the representation commissioner who would be appointed by a resolution of this house, would be appointed, on the joint recommendation of the Prime Minister and the Leader of the Opposition, by the Speaker of the House of Commons. In the event of their failure to agree the Speaker would have to resolve the difference.

However, we are open to any other method which can be found which is impartial and acceptable, and in this regard I was quite intrigued with what the hon. member for Edmonton West suggested, namely specifying not the individuals but the category of persons. My own idea is that the Manitoba commission was a model commission, composed of the chief justice, the president of the university and the chief electoral officer of the province. That is the kind of membership I would envisage for each of these commissions: a judge, a person learned in these matters, and a person experienced in the way the chief electoral officer is. And it has worked in Manitoba, and that is the only case we have experience about in Canada.

**Mr. Aiken:** I thank the Secretary of State for his explanation. He did point up the

objection made by the hon. member for Edmonton West, that you are going to provide agreement, but that in the alternative the government wins.

**Mr. Pickersgill:** I think the hon. gentleman must have misunderstood me. I said the Speaker of the House of Commons would resolve the difference. The one thing I will not recommend to this house is that any decision on this matter be made by the governor in council; I think that would be entirely wrong, and I want to make that very clear. That would be taking redistribution away from the house and putting it in the hands of the cabinet, and I do not want to see that done. I want to be absolutely sure that both sides of the house have an equal voice. And I mean an equal voice—no preference, no matter who is the government. Because otherwise I do not think the public would be satisfied that the matter is being handled fairly. That is the point. With regard to the actual mechanics of it, we had to make some suggestion, until some alternative is found. After all, the Speaker, when we elected him, was elected to be an impartial person, and that was why he was suggested. If it was the chief justice of Canada I would be equally well satisfied. But it would have to be somebody like that.

**Mr. Aiken:** Then I think that answers the point I was making, because our concern is that if there was the provision that in the event of disagreement the governor in council would make the appointment, that would in effect mean that if there was no agreement the government would make the appointment.

**Mr. Pickersgill:** That will not happen.

**Mr. Aiken:** As we go along and prod the Secretary of State a little about those matters which concern us, I think we may get round to the point where we feel this resolution is worthy of adoption.

**Mr. Pickersgill:** Could I prod the hon. gentleman a little, and perhaps the whole committee, and suggest that if we adopt the resolution and see the two bills a lot of these questions would be answered by the hon. gentlemen themselves, instead of my having to get up and give previews of little corners of the bills. I would rather have all of the bills seen; but I am in the hands of the committee.

**Mr. Aiken:** I just want to say that we are hopeful that if the bill contains some very bad principles the government will change it before it is brought in.

**Mr. Pickersgill:** Or after. They can be changed at any stage.

**Mr. Pigeon:** But we like your voice.

[*Translation*]

**Mr. Chretien:** Mr. Chairman, I would like to make some remarks concerning this resolution, which deals with the position of commissioner and the readjustment of the representation in the house.

First of all, I must say that I strongly favour the establishment of an independent commission. I believe that the house must endeavour to find a solution to the satisfaction of all parties in the house.

It is necessary that the representation be changed because we find today abnormalities, situations which are no longer normal.

For instance, we see that there are members who represent constituencies 10, 15 and even 20 times more populous than others. I am of the opinion that every voter in the country has a right to be adequately represented.

We know that it is a difficult situation and that it needs to be corrected. We should then apply ourselves to find the most equitable solution for every Canadian voter because the house must reflect the true image of the Canadian people.

I fully agree with the principles put forward up to now to the effect that it is essential to find an appropriate solution in the near future. To this end, we should set up ten commissions which would look into the problem of every province. In this way, we could effect an adequate redistribution sooner, in order that the country may be duly represented in the house.

In my opinion, the formula used in Australia, with a 20 per cent tolerance between the most and the least populated ridings, should perhaps be applied here in Canada, in order to have more adequate representation in the house.

A most interesting point was raised, that is whether we should increase the membership of this house. Personally, I do not think so because I cannot see what useful purpose it would serve. It is hard enough as it is to deal with the estimates and bills with the number of members there is now that, in my view, to increase it would greatly reduce the efficiency of the house.

I am convinced that it would be in the national interest to have just about the same representation after redistribution.

After studying the resolution, I notice that it does not mention a detail which, while not of capital importance, has nevertheless some value.

A few months ago, I raised in the house the point that the names of some ridings are often inadequate. It is very difficult for the

Speaker of the house, as well as for the distinguished members of the press, to easily identify hon. members. I have in mind, for instance, the ridings of Nanaimo-Cowichan-The Islands, Berthier-Maskinonge-Delanaudiere, Joliette-L'Assomption-Montcalm—

**Mr. Pigeon:** It is a very good name.

**Mr. Chretien:** —Chateauguay-Huntingdon-Laprairie, etc. In my opinion, the terms of reference we will give this commission should include power to change names and impose certain restrictions concerning the names of new ridings, because it is much easier to remember names like Hull, Longueuil, etc.

In my opinion, the commission should find names easier to memorize, and this would make the business of the house more efficient.

I therefore suggest that in addition to these terms of reference, the commission be asked to give short and simple names to the constituencies after having drawn their boundary lines, in order to simplify the business of the house and the work of the members of the press gallery.

[*Text*]

**Mr. Fisher:** I have had so many opportunities in the last few parliaments to speak on this subject that I have no intention of entering upon any general review now. I wish to concentrate on one element only of the redistribution problem, mostly to the exclusion of the others. This is the problem which arises in relation to area as well as to population. It is one which leads me to want to put on record some statistics.

It would be foolish to suggest amendments to an act which one has not seen, but I think it might be possible for us to consider some adjustments or amendments to any formula, such as a 20 per cent formula, so as to allow for those ridings which have huge areas and a scattered population. I think I can best make my point by putting on record the largest constituencies in area in Canada, giving their population according to the 1956 figures. We have a total of 37 constituencies in Canada which have an area greater than 10,000 square miles. If we stop to think about it, that is a relatively small proportion of the 265 constituencies represented here. Only 37, as I say, have areas greater than 10,000 square miles. To approach the question in another way, only eight constituencies have areas greater than 100,000 square miles. Most members who have a constituency of 10,000 square miles in area think it is big. But as I have said there are eight constituencies in Canada which have an area greater than 100,000 square miles.

**An hon. Member:** Name them.

[Mr. Chretien.]

**Mr. Fisher:** I will put the list on record.

Largest Canadian Constituencies in Area, with 1956 Population

| Constituency | Area in Sq. Miles | Population |
|---|---|---|
| Mackenzie River | 527,490 | 12,492 |
| Saguenay | 374,950 | 56,655 |
| Yukon | 207,076 | 12,190 |
| Churchill | 170,827 | 48,999 |
| Port Arthur | 148,482 | 78,111 |
| Grand Falls-White Bay-Labrador | 125,710 | 71,416 |
| Skeena | 125,641 | 56,664 |
| Cariboo | 120,544 | 60,464 |
| Meadow Lake | 96,327 | 37,840 |
| Chapleau | 83,640 | 65,456 |
| Peace River | 81,900 | 69,725 |
| Cochrane | 70,585 | 42,720 |
| Athabasca | 62,000 | 56,611 |
| Kenora-Rainy River | 52,308 | 67,356 |

Those are the 14 constituencies having areas greater than 50,000 square miles. I might say that the population of Saguenay, which the hon. member sitting over there represents, has been growing relatively quickly because of mineral developments in that region. Churchill is another of these large constituencies which has been growing fairly quickly. In considering the population figures, it should be remembered that the two ridings up in the north namely, Mackenzie River and Yukon, are special cases. They do not lie within provincial boundaries and that is one of the main reasons why they have representation here despite their small population.

One of the interesting things to note is that almost all these constituencies, with the exception of Meadow Lake, are of the hinterland variety. They are not rural constituencies in the sense that they have a farm basis. Their population growth has been comparable in almost every way to the national average, if not greater than the national average—certainly, in the case of Grand Falls-White Bay-Labrador it has been greater—and it has been based on forestry or mining, developments which do not lead to an even population spread. There is a spotty effect—small nodules of people within these large areas. It is my contention that it is most difficult to represent ridings of this kind, particularly when they have large populations, on any basis comparable to that which applies in the case of smaller constituencies. If we take Canada's estimated population at the time of the last census in 1961—it was 18,238,000—and divide that figure by 247, which is the divisor one uses in determining the population quotient after taking away the population of New Brunswick, Prince Edward Island and the Northwest Territories, we reach a figure somewhere between 66,000 and 69,000—I give that figure loosely.

I should like to call attention to the grave disadvantages of representing these immensely large constituencies. For example, the

hon. member for Grand Falls-White Bay-Labrador now has a constituency whose population is well over the 80,000 mark. In other words, it is above the norm, and yet he is saddled with this fantastic area. Not only that, it is an area that is separated by a considerable body of water, and while I will not say that the communications system in all this population scatter is primitive, it is certainly expensive, and many of these communities are so far apart that they have no community or affinity of interest.

I should like to suggest that right in the Canada Elections Act at the present time there is recognition of the special difficulties with ridings of this kind. That recognition is found in the fact that nomination day in these ridings is held at a different time than in the normal ridings in Canada. I should like to make a plea to the house that it consider some means of compensating and making adjustments with regard to area. I have gone into this matter very fully with the chief electoral officer, Mr. Castonguay, for whom I have a tremendous admiration. To my mind he is the most articulate civil servant I have ever encountered. I do not know whether he is in French, but certainly in English he is not only the most articulate but, with regard to the statutes and regulations that he administers, he is about the best informed man I have encountered in the federal civil service.

I have had difficulty in my discussions with Mr. Castonguay in getting him to express any interests in or enthusiasm for a recognition of the area problem. I think this is partly because he recognizes, almost in the way the Minister of Finance does with regard to taxation, that once you make any exceptions you open up all kinds of problems. But I think in this particular case some kind of exception should be considered. I know it may be unfair of me to interpret conversation with Mr. Castonguay, but I mean no unfairness and I think I am being accurate. Mr. Castonguay is willing to concede that it might be possible to make some adjustment in the formula that would make some compensation, but nevertheless he cannot quite see it.

Other people have suggested that one of the ways to do this is not to make any concession with regard to area but to give some extra consideration to members of parliament who represent such areas in terms of expense arrangements, travel arrangements or something like that. I would feel that would be the most invidious of all advantages that might be given. I think we are almost faced with the conundrum that confronts school teachers and boards of education. When you get into pay by merit you are into a morass and you need to set a standard. I do not think you can meet the problem of a constituency of huge area by giving some kind of special financial or transport consideration to the member. I think that the consideration has to come about by making some exception in the arrangement of the population figure for such areas. In other words, any time you have or are likely to have a constituency of more than 50,000 square miles I suggest that there should be some arrangement in the instructions to the commissioners whereby they will do their best to see that the population figure is kept down when you have any area over 50,000 square miles.

I can perhaps explain this best in terms of the riding of Port Arthur which I represent. In the southwest corner you have over half the population within a few square miles in the city of Port Arthur. The riding slices up to the Manitoba boundary and actually it has several polls that lie well north of the constituency of Kenora-Rainy River. In the eastern part there are a number of polls with a considerable native population that are 350 to 400 miles from the main population centre and lie much closer to the sphere of influence of Cochrane or Algoma West or even Timiskaming and Timmins.

It seems to me that the special problem of the large riding is not one that is likely to be approached in any spirit of partisanship. From talking to members such as the hon. member for Churchill, the hon. member for Grand Falls-White Bay-Labrador and the hon. member for Skeena I know that the difficulties we have in representing these huge areas with scattered population are worrisome to us in terms of the kind of job we can do. I have heard the hon. member for Yukon suggest in the house the great difficulties in looking after his huge riding, but his riding only has a population of a little over 12,000. Lord knows, it is bad enough when these 12,000 are scattered over 207,000 square miles and I agree that, comparatively speaking, there should be special consideration in creating a constituency there, despite all that area and the small population; but what about the hon. member for Grand Falls-White Bay-Labrador whose riding has a population of over 80,000? In other words, his riding has a population roughly six times that of the riding of the hon. member for Yukon. His riding has over half the area of the Yukon and it has even more discontinuity in terms of transport arrangements.

I am not going to crystallize any suggestion I make into a definite proposal, but I should like to suggest to hon. members that when the bills are before us relating to this matter they be prepared to give sympathetic consideration to some adjustment to try to

take care of this situation that I would say affects at least 10 and maybe 15 or 20 ridings in the country. It was always easy for me to be sympathetic to the hon. member for York-Scarborough in the last few years, knowing the huge population problem there, and this sympathy, of course, becomes especially strong at election time. But I put it to the hon. member that the main thing we should be concerned about is not so much election time but servicing, looking after and understanding the interests of the people of one's riding. These interests are not only in terms of people but are a physical thing. I suggest that the physical problems in looking after a riding of over 100,000 square miles, with a population of over 50,000, are even more difficult than the physical problems in looking after one of the very large city ridings.

**Mr. Moreau:** Will the hon. member permit a question? Is he aware that I proposed a formula this afternoon which would take into account land area for those ridings mentioned in schedule III of the Canada Elections Act?

**Mr. Fisher:** I did not hear it. I meant to listen but I was called out. I appreciate that that suggestion was made. I missed it but I will certainly look at it. This is one area that needs serious consideration. One of the things that bothers me about the kind of consideration you get is that I think there will be impatience among many members to whom this kind of thing does not matter, because they are not involved with this type of constituency. I put it to the Secretary of State that he knows how ineffective members from such constituencies have been in trying to make their arguments to the C.B.C. in order to get television and radio service in many cases.

**Mr. Pickersgill:** As a matter of fact, on that particular point I might say that the hon. member for Grand Falls-White Bay-Labrador has done exceedingly well. He is getting radio service almost immediately at Wabush and Labrador city but I admit it has taken him about three years to do it. I am sure he will be glad of the advertisement.

**Mr. Fisher:** The Secretary of State is probably conscious of the question I have on the order paper in relation to this very matter. On this particular point, I should like to show the Secretary of State a few letters I have had from people in the Wabush area that do not express quite so much satisfaction in regard to this particular matter. They have pointed out they have been clamouring for three or four years now, and I just raised the question in order to support the hon. member for Grand Falls-White Bay-Labrador because this is a problem we all have.

**Mr. Pickersgill:** But the decision has already been made.

**Mr. Fisher:** Yes, but they still have not got television service. What are you going to do about that? The minister may take a great deal of comfort from the radio coverage—

**Mr. Pickersgill:** May I answer that? The hon. gentleman has succeeded in doing what no one else has succeeded in doing in this debate, and he has got under my skin. What I intend to do about that is to say publicly —I do not know that the C.B.C. agrees with me and I am sure that a lot of private television people do not—that we should have single coverage all over Canada before we worry about alternate service.

**Mr. Fisher:** This example is a good one. In so far as getting under the minister's skin is concerned, I may say I was talking today to a gentleman who was forced to observe the proceedings of the house yesterday. He said, "When you arrived back in town, did you smell the incense burning, the perfume, and as you came to your seat did you hear the sweet tinkling of bells?" He said that yesterday was one of the sweetest, stickiest and stinkiest days he had ever seen in the House of Commons. I gather that partisanship just disappeared and pleasantries reigned.

Well, I come back to my point. When you represent this kind of constituency, which is a relatively small portion of the total number of constituencies, when these constituencies are scattered all along the northern fringe of Canada, when they do not have powerful means of communication in terms of newspapers, television stations or the kind of pressure groups that count, it is very difficult to develop the kind of sympathy and understanding that you often need from governments and from bureaucrats. I want to make the point that it is extremely difficult—I have made it too often now—to represent a constituency that runs to this particular size.

Now, there were one or two smaller points that I wanted to mention. I wonder if the Secretary of State or any members of the cabinet, have talked at all with New Brunswick, Prince Edward Island and Nova Scotia, the three provinces protected by the senate floor, and which are going to be protected by the senate floor, in order to get their views on the relationship of the number of seats they hold as a right from confederation, as against the intention that has been mooted that there will be an increase in the number of seats. There is a double-edged problem in

this particular matter. It seems very unfair if we are talking about—

**Mr. Pickersgill:** I wonder if I could ask the hon. gentleman to put his question again very carefully because I am not sure I got the purport of it properly?

**Mr. Fisher:** At the present time, New Brunswick—

**Mr. Pickersgill:** I understand the situation; it is the question I did not get.

**Mr. Fisher:** If we increase the number of seats, obviously those provinces are not going to get any of the increase. They are set; they are protected with the floor underneath them; but their relative influence, of course, is going to diminish. I would not expect that they would quarrel about this, but I suggest that they might have made some kind of criticism.

**Mr. Pickersgill:** Well, what is the antecedent of "they"? Is the hon. gentleman suggesting the proposition that we should consult with provincial governments about the redistribution of membership in this house? I think that is a novel proposition, and I had never thought of embarking upon it. I do not think we should.

**Mr. Fisher:** It is not that novel. It has been made in almost every debate on redistribution. I feel that the Senate floor is based upon the promises given these provinces when they came in. Let us be realistic about this. The minister knows that Prince Edward Island looks upon this as an article of confederation.

Now, has Prince Edward Island, for example, made any protests or has the government sounded them out as to what their views would be? I am thinking here, not of the government alone but also such people as the Solicitor General. This is one point. The second point relates to it.

**Mr. Pickersgill:** I should like to answer, if the hon. gentleman would permit me. Without regard to party, I think Prince Edward Island is very ably represented in this house, and I think the people who are elected to this house to represent Prince Edward Island are perfectly capable of speaking for Prince Edward Island on this subject. I would not think of consulting anyone else but those people about Prince Edward Island.

**Mr. Fisher:** I am very pleased to have that assurance from the hon. gentleman. Now, let us look at this from the other point of view. As long as we have this floor, the whole relationship will be thrown out of context or thrown out of balance. Given this marvellous representation from Prince Edward Island, has the minister had any discussion with his colleagues from those places that have a floor to the effect that, instead of increasing the number of seats in the parliament of Canada, some approach be made to those particular provinces that are over-represented on the basis of population, from the point of view of accepting a voluntary reduction in their representation?

**Mr. Pickersgill:** I suggest the hon. member should put that question to the hon. members for Queens.

**Mr. Fisher:** I am just shocked that the minister is really converting this debate into a wide open, irresponsible discussion upon a measure introduced by him and by the government. Whether the minister will acknowledge it or not, and I do not suppose he will because he knows it is a rather touchy subject, this is an important consideration in this whole matter. There has been a lot of talk about the comparison of York-Scarborough, with 200,000 people with Prince Edward Island which has less than 100,000, and yet has four seats. This is part of the anomaly of representation by population.

One of the things that is quite apparent, when you look at the rules for sharing seats amongst the provinces, is that you now have some subtracted from the 265 and you are down to 247 before you get your divisors. I imagine that very soon, judging by the relationship of the population of Nova Scotia to the rest of the country, this is going to drop even further, perhaps down to 237. Then, the divisor throws things away out of kilter. As a matter of fact, if the extremes of population movement to certain portions continues, it is quite conceivable that we will be having "rep. by pop." for about three provinces, and all the rest will be protected by some kind of floor.

I am not advocating here that we do away with the floor, but I want to know what thinking the government has done on this problem as a means of getting out of increasing the number of seats. Every hon. member in this house knows that increasing the number of seats will let us off the hook. But it really does not do much in terms of getting better representation for the people in the country; and it really does not do much about meeting the fact that the old rules, including the Senate floor, are making a monkey out of "rep. by pop." I think it is just something the government might have considered because, like many other hon. members, I am not an enthusiast for seeing the membership in this house increased. I tend to agree with the hon. member for Edmonton West on that. It may well give some advantage in getting a quorum in the house, or in some of the committees of the house, but that is about the only advantage I can see in it. I hope, having

said that, I am not undercutting my argument—

**Mr. Pickersgill:** I was just going to point out the hon. gentleman is pretty illogical. He argued for a low population in Port Arthur and a high population in Prince Edward Island. As the sponsor of this legislation I want to make it very clear I am not in favour of interfering with the senatorial floor which protects the maritime provinces. I think my suggestion that I am not in favour of it, that I am in favour of maintaining the constitution in that respect, is a responsible position, although I was accused by the hon. gentleman of irresponsibility.

**Mr. Fisher:** I am glad to know that the minister is prepared to accept this kind of responsibility. He is probably aware I was pretty sure he could not or would not do anything other than what he has just done. But not enough people in this country who will will be considering the problem know about the Senate floor. Most of them are unaware of what it does to the beautiful logic of the representation by population argument.

The increase in the number of members in this house will again not compensate relatively for these areas that have the Senate floor. I do not think we should complain about the Senate floor very seriously, but I wish everybody would recognize that unless we plan at some future time to make some kind of adjustment to it, that will be satisfactory to those areas that are supported by it, we will get greater and greater discrepancies as shifts take place in the population of Canada.

There was one other point I wanted to touch on in relation to the commission, and how it would plan to operate. I have always felt that judges, despite their great reputation for fairness and impartiality, are not always the people with the best backgrounds to bring to this kind of problem. I would take it from what the minister said in his opening remarks that the technical assistance in terms of population, mapping, and that kind of thing, will be available to the commissioners, particularly to the chief commissioner, but that assistance will not really find representation in the person of anyone.

I have always felt that a geographer or demographer should find some representation on the national commission, and when I say representation I mean as a person. I would like to ask the minister whether this was considered at all, or whether it was felt that the chief commissioner would embody in himself all that kind of knowledge and expertise. I do not know whether he is in a position to give me an answer at the present time, or whether he wishes to, but I would like to know if this matter was considered.

[Mr. Fisher.]

**Mr. Pickersgill:** I think this could be better considered when we have the bills before us.

**Mr. Fisher:** One other thing I would like to mention in connection with the commission is the fact that in the major provinces there is such a difference, in the stretch say, from northwestern Ontario down to the Ottawa valley, particularly in terms of any intimacy of knowledge; so that I do not feel you can really make a great thing out of the argument the minister put forward, that to have a single commission for a province would allow this type of thing. I do not know how you are going to get representation on a commission in Ontario that is really knowledgeable in the sense of understanding the traditions of a riding, something about its population, its economy and its transport hookups, and one might even say the social-political watersheds of various areas in a province that size. That is why the argument the minister used, to take away the idea of a commission to represent the three prairie provinces, seemed to me somewhat insubstantial. I think that the argument I am applying to Ontario is the one he applied to the prairie provinces.

I think if the situation exists in Ontario, where we will have a commission that really is not that informed in any intimate way about the province, then the same thing could apply quite easily to the prairie provinces.

There is another point which may be irrelevant but, in view of all the commissions we are creating, are we going to be able to staff them properly? We have not heard from our friends in the corner about whether the French speaking interest is going to be protected, but I assume they will speak on it. And are we going to be able to get such population representation in a hurry? It is for that reason, while I agree with my colleague from Winnipeg North Centre that we accept and support the idea of a multitude of commissions, I still have a tendency to feel we could probably do with three or four rather than with 10.

I have enjoyed the opportunity of speaking on this topic, which is so familiar. One of the things about its familiarity is that it is balanced with the complexities, so that one tends to forget more than one learned last year. One might say it is a wonderful bag of tricks, and a cave of exploration for almost any hon. member in the house. I am sure, from the non-partisan way in which the minister introduced this, that the response he will get in the house will be a very generous one, and I know other hon. members probably look at it the same way I do—looking forward to days and days of discussion here, while we give him all the suggestions in that

spirit of harmony with which he kicked off the debate.

**Mr. Bell:** I wonder if I could just interject a brief comment. It could be assumed, from what the hon. member for Port Arthur has said, that we from New Brunswick and Prince Edward Island are not interested in this subject, because we have not taken the opportunity to say something. I know the hon. member for Queens is planning to speak on this resolution, and I may say we look very seriously on this matter of the senatorial floor. For my own part I would say if any change were made that would reduce the effect of the protection of the senatorial floor, we would protest this and would want to know what is the *quid pro quo*.

We might settle for a couple more senators or something like that, but we are going to have our say on this, and I think the hon. member for Port Arthur has brought up a matter that is very serious and about which we will have something to say. We have considered it and the fact that we are actually silent today is because we are waiting to make our thoughts known later in the discussion.

**Mr. Pickersgill:** Mr. Chairman, I notice the hon. member for Sherbrooke is rising, but I wonder will he permit me to make a suggestion before he speaks. I believe someone else in the corner also wishes to speak, and the hon. member for Carleton. I wonder, would there be any chance, if they spoke very briefly, that we might conclude at six o'clock. It will not be possible to come back to this measure until next week, and I think it would help us all if we could see the two bills.

We cannot do that until the resolution is adopted, and the resolution only commits us to the expediency of going on to the next stage. It would give us and the public a chance to study these bills which, as I indicated earlier, are going to be amendable; the government is not insisting on anything in them except impartiality. If we could have them open to the public gaze until next Monday and then have our debates on them seriatim as bills, I think it would help us all in the house. This is just a suggestion I am making. I am not seeking to shut hon. gentlemen off; but if they could make their observations briefly and we could at six o'clock give first reading to the two bills, they would then be available for study.

**Mr. Francis:** Mr. Chairman, the measure of agreement at a very high level with regard to what is proposed is very encouraging. We all agree that we want to see a much greater degree of equity in the basis of representation in this house and establish a procedure which will be perhaps effective for redistribution in the future. I think we all agree, also, that we should set the machinery in motion with the least possible delay, but making due allowance for the proper amount of time needed to undertake what is really a very fundamental change. The chief electoral officer said recently in the hearings before the committee that in his opinion there would not be any riding in Canada, save the two most northerly ridings, that would not be affected by the measure if carried out by an independent commission in Canada. This is a very fundamental change, and I feel that its full import will not be realized until such time as the report of the commission is before us.

I hope that the spirit of harmony that has been evident so far will also be in effect when the time comes for us to examine the report and we find that ridings have been eliminated, boundaries have been changed, new ridings have been brought into being and individual members in the house will have to adjust their conduct accordingly and choose places in which they will seek re-election. I submit it is well worth our time at this point to make sure that the proper rules are spelled out and the proper groundwork is laid so that the independent commissions which are set up will be able to operate.

Everyone has agreed that certain rules should be spelled out. One of the first rules to be spelled out is the question of the population base. I was particularly interested in the comments of the hon. member for Winnipeg North Centre who pointed out that at the time of confederation the average member represented 20,000 people, and at the time of the last redistribution the population of the average riding was something like 58,000 people. If we added 15 or 20 members to this house, that would give a basis of something like 68,000 people for 280 or 285 members. I think, as the hon. member for North Centre observed, there is something of a plateau in the number of persons in a riding which a member can properly serve. We also want to give as much protection as we can to the senatorial floor, to which reference has been made, and resolve the problem as best we can of Manitoba versus Saskatchewan, and equality of representation. To do this we have no alternative but increase the number of members in the house, and I think all of us will be in agreement with that proposition, after having examined this question.

I think once you have established a population base, the question of tolerance has to be looked at very carefully. Then there is the question of area to be considered, and the northern ridings. The hon. member for Port Arthur mentioned this matter when

dealing with the suggestion of the hon. member for York-Scarborough that we consider these ridings under section 3 of the elections act as being ridings to which special consideration should be given. But this is not the rural-urban problem. This is a different problem. I represent a riding that up until recent years was an average rural riding. It is now a very large suburban riding, about the tenth largest in Canada, as far as I can determine.

In this particular kind of situation there is a very serious injustice in terms of the work loads of different members, and in spite of the best efforts of members of the house this situation continues to exist. I know, for example, that my hon. friend from Edmonton West represents a larger riding than I do, and I am sure his riding is ably represented, in a qualitative sense, in the house; but I am sure he would be one of the first to say that he could serve his people and the area better, were there a more equitable population base. I think a 10 per cent figure should be adequate in a tolerance, and certainly the experience of New Zealand suggests a 10 per cent figure. The Australian figure, according to the report of Mr. Castonguay, was 20 per cent. Although the commissions were allowed a 20 per cent tolerance, they in fact kept within a 10 per cent margin. The problem is not only what the tolerance should be; it is to anticipate the situations that are going to develop.

For example, if we redistribute on the basis of the 1961 census this would not be very equitable because my own riding has increased in population by almost 15 per cent since that time. The hon. member for York-Scarborough pointed out that in eight months over 10,000 new voters were added to his riding. This is going to continue. If we are to take the 1961 population base and allow a 33⅓ per cent tolerance, this will in effect mean that the largest riding could be twice the size of the smallest. The situation in regard to population growth continues to present a problem in this regard. On the basis of my riding, the riding of York-Scarborough or the riding of Edmonton West, we would have disparities at the time of the next redistribution every bit as bad as, if not worse than, the ones this house now faces.

This is not the kind of solution that can be spelled out clearly in rules. The electoral commission, when it comes to grips with the problem, will have to use a great deal of horse sense. We can give them a population base; we can say what tolerance shall apply, whether it be 10 per cent or 20 per cent—I think it should be no more than that—and we can say, "Please note the increase in voters as between the 1962 and 1963 elections", or give them the enumerations of any subsequent provincial election that may have been held; but when we spell out all the rules there will still be a great area in which discretion can be exercised by an independent commission. Even with the very best intentions, this commission will have to decide such things as some ridings at the present time representing minority groups. I would hope that an independent electoral commission would not quickly or lightly break up such ridings, because we know what the consequences would be if they did.

We know that certain ridings represent language distinctions and any electoral commission which attempted to redistribute mathematically without taking language boundaries into effect would be doing something that many of us would not like. For this reason I think the category of persons named to these independent commissions, much as I respect the judiciary, is restricted because of the limitation of time. I do not know many members of the bench who are not overworked, and seriously overworked, and when they are diverted to other functions as well, the administration of justice is thereby impaired to some degree. The fact remains that there are many people in different categories of public life who can contribute, and it is not easy always to spell them out individually or even by category. One person comes to my mind; he is a professor of sociology and worked for a number of years in the dominion bureau of statistics and on demographic studies. I think such a person is eminently qualified to serve on an independent commission. I am not concerned about the fact that we may not find people. The people can be found and they will, I am sure, be of the right independent calibre. I found it difficult to understand the reasoning of the hon. member for Port Arthur, who argued at one point that Ontario was so big that one commission could not do the job properly, and he suggested that if you put all the prairies together they would not be able to do the job properly either. The logic behind this argument is beyond my comprehension. I think at least we have to recognize the principle that within a province people are more competent in this matter, will know the province and its problems and are therefore much more likely to deal expeditiously and fairly with the problems of redistribution within the province than if we had one over-all, independent commission.

I personally strongly support the principle of setting up independent commissions for each province. The province of Ontario recently attempted a redistribution; they set up the machinery but then found the time of the

members was limited. They had to come up with a stopgap arrangement before an election, which brought a rough measure of greater equity than prevailed previously. But no member who has worked on the job of provincial redistribution in the province of Ontario will tell us that there is a complete solution. The final report, which will be some time being handed down, will have to be studied. In a large province like Ontario or Quebec the job will be a difficult one and time consuming. But certainly any attempt to lump together the Quebec or Ontario problems and combine them with other provinces will in my opinion seriously delay the functions of any group trying to grapple with the problems of redistribution.

Following the statements of the house leader, Mr. Chairman, I will not say any more. I have just one observation to make in connection with my own riding. One of the problems in my riding is that of maps. New suburban areas which are rapidly growing up outside the established boundaries of the city of Ottawa simply do not have the facilities to give an adequate breakdown of polls. I suspect that this is a serious problem, one not to be underestimated, and the services of people from the surveyor general's branch, and so on, will be absolutely essential. But this is a technical problem which takes a little time to overcome.

[*Translation*]

**Mr. Chapdelaine:** Mr. Chairman, although I do not intend to speak at great length, it will not make much difference, since members of other parties have indicated that they wish to speak.

It has been mentioned this afternoon that the number of members should be reduced rather than increased. Since everybody agrees and everything has been said I shall only say a few words, in order not to delay the adoption of this resolution.

In my opinion, it is not essential to go into details at this stage, since the government is only giving notice of its intention to introduce a bill. We must make suggestions, as concisely as possible, about matters that might have been overlooked so that they will be included in the bill.

The suggestions made by the hon. member for Winnipeg North Centre (Mr. Knowles) are worthwhile. He has looked fully into the problem and he referred to all the discussions held in the house on this matter since confederation. The same applies to the suggestions of the Leader of the Opposition (Mr. Diefenbaker) who has studied this problem extensively. All those suggestions will be considered by the commission when it is established.

The main point is the setting up of this commission as soon as possible. In my opinion, what could delay its establishment is the fear that the selection of its members might be tainted with partisanship.

Such is the difficulty which the government will have to face because even if this commission were composed of judges, it must be remembered that all of them have been appointed by a political party and that it is very difficult for a man to forget his political ties.

In my opinion, there is another alternative concerning the composition of this commission. It would be to appoint people who are too young to have ever been involved in a political organization or to have come under the baleful influence of certain politicians in their circle, or else people too old, having already one foot in the grave, for whom political has no lure whatsoever. Then the grounds for the steps we would be taking would be nobler and would lead to more conclusive results.

I would be remiss if I did not mention that in the riding I represent—the most beautiful of all, needless to say, the riding of Sherbrooke—we also have our redistribution problems, but when this commission is established, the time will then be favourable to make appropriate suggestions in order to settle these small problems. Since 1867, these problems have to be discussed at regular intervals; they come under the purview of the Canadian constitution, which must be amended every time it is desired to increase the membership of the house. As a matter of fact, these problems always brought about harsh political partisanship, because the party that proposed the redistribution was immediately accused of trying to derive some advantages from it, while the previous party that had wanted to change the representation in the house was itself accused of trying to do it for its own benefit.

In my opinion, the best intention the govgovernment has shown is to want to relieve the house of this partisanship spirit which always inclined members of parliament to delay such legislation. Unanimity has been achieved—which is surprising, especially on the part of the opposition—and it has been agreed that we must keep partisanship out of this commission.

It was suggested to set up ten independent commissions that would look after the redistribution. That is a good suggestion but I think that the one made by the hon. member for Port Arthur (Mr. Fisher) is preferable, if you believe it is not enough to take the provinces into consideration in this redistribution, but that each area's cultural, territorial and linguistic aspirations must also be considered.

Mr. Chairman, I feel that by setting up five subcommissions to represent British Columbia and the surrounding area, the prairies, Ontario, Quebec and the maritime provinces, and possibly a sixth one for the Northwest Territories, we could study the problems intelligently, because we would then have within the committee or commission all the elements that might differ across the country, and I think everyone would be treated fairly.

Mr. Chairman, may I call it six o'clock?

[*Text*]

**Mr. Pickersgill:** Is there not a disposition on the part of the committee to let the resolution go through so that we could introduce the bills?

**Some hon. Members:** Agreed.

**Mr. MacLean (Queens):** No, Mr. Chairman, I am sorry to say it is not feasible to meet with the request of the Secretary of State at the moment. There are still a number of people who wish to speak.

**Mr. Pickersgill:** On the resolution rather than on the bills?

**Mr. MacLean (Queens):** That is right.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Churchill:** I should like to ask the house leader whether he can let us know what will be coming on Friday. We are looking forward with great expectation to hearing the minister of external affairs tomorrow, but what is happening on Friday?

**Mr. Pickersgill:** I expect, as the hon. gentleman suggests, that tomorrow will be entirely taken up with external affairs, but there will be some other minister available if hon. members should run out of speeches before the end of the day. On Friday, it is proposed, if it is the wish of the house, to abstract the estimates of the Department of External Affairs from the committee of supply and refer them to the committee on external affairs. The first item of business after the orders of the day would then be interim supply, and the government would be asking for one month's supply. If the federal-provincial conference is still going on I shall ask the indulgence of the house to present the interim supply measure on behalf of my colleague the Minister of Finance.

When that has been completed we will take the estimates of the Department of Northern Affairs and National Resources and we would have other departments available—the Department of Public Works would be the next one available, I think, up to five o'clock. At seven o'clock we would resume consideration of the estimates of the Department of Industry, where we left off last Friday.

**Mr. Smallwood:** How about agriculture?

**Mr. Pickersgill:** It is hoped the estimates of that department will be available next week.

**Mr. Smallwood:** How about the post office?

**Mr. Pickersgill:** That will come in its turn.

**Mr. Churchill:** Can we be absolutely sure that at seven o'clock on Friday we shall be considering the estimates of the Department of Industry and the other items under that ministry?

**Mr. Pickersgill:** As nearly sure as, in this vale of tears, any assurance can be given. If the minister drops dead, say, or if some dire calamity of that sort should occur, the arrangements might have to be changed. But as far as I can foresee now, I give that assurance.

**Mr. Knowles:** If that happens you will be to blame.

It being four minutes after six o'clock the house adjourned, without question put.

# HOUSE OF COMMONS

**Thursday, November 28, 1963**

The house met at 2.30 p.m.

## DOMINION-PROVINCIAL CONFERENCE

### ALLEGED CONTRADICTORY STATEMENTS RESPECTING QUEBEC SUBMISSION

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a question of privilege concerning the rights of all hon. members in the house to get the truth in answers given by members of the cabinet.

To a question put to him yesterday by the leader of the official opposition, the Acting Prime Minister gave this reply, as reported on page 5156 of *Hansard*, left hand column:

If hon. members will allow me, I will do my best to answer it. In the next place I should like to say that there is nothing either in the statement made by the premier of the province of Quebec or in the statement I listened to this morning that is in the nature of an ultimatum.

Now, Mr. Speaker, on May 27, 1963, I put a question to the Minister of Justice and Acting Prime Minister (Mr. Chevrier) and here is what he replied as shown in *Hansard*, at page 282.

Mr. Speaker, I duly received the press releases the hon. member sent me. I even heard the Quebec premier, Mr. Lesage, on television, when he stated that he considered as an ultimatum the claims or proposals of the province of Quebec.

Mr. Speaker, on May 27, 1963, the Minister of Justice admitted that the Quebec proposals were in the nature of an ultimatum and yesterday, November 27, as shown in *Hansard*, the Minister of Justice stated that there was no ultimatum.

I believe, Mr. Speaker, and this is my point of privilege, that the members of this house are entitled to get the whole truth and not answers where facts are concealed; and members of the cabinet have no right to shirk their responsibilities as the Minister of Justice tried to do yesterday.

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, it is clear that the question asked by the Leader of the Opposition yesterday dealt with the federal-provincial conference now under way.

I remember very well the press releases that the hon. member for Lapointe (Mr. Gregoire) sent me, as well as the answer I gave him, but in my opinion this release is several months old, while the question of the hon. member concerned only what happened yesterday and immediately before. I am in a position to say that there was no question of an ultimatum.

As a matter of fact, my attention is called to the fact that this was confirmed by the premier of Quebec himself.

**Mr. Gregoire:** Does the Minister of Justice mean that the premier of Quebec changed his mind?

[*Text*]

**Mr. Speaker:** Order please.

### INQUIRY AS TO DISCUSSIONS RESPECTING LOTTERIES

On the orders of the day:

[*Translation*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, may I put a question to the Acting Prime Minister?

Could he tell the house whether the idea of establishing lotteries has been rejected once and for all this morning at the federal-provincial conference or whether it is still possible that the matter will be further considered during this conference?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I am not in a position to provide an answer such as my hon. friend is asking. The matter has not been settled one way or the other.

The purpose of this meeting was to hear the representations made by the attorneys general of the various provinces, and this has been done. A frank discussion was held and in due course, I intend to report on it to the government.

**Mr. Valade:** Mr. Speaker, may I put a supplementary question?

Will the matter of lotteries be discussed again before the end of the conference?

**Mr. Chevrier:** Such a decision rests with the provincial premiers. If they so desire, the federal government is willing to discuss the matter again.

[*Later:*]

**Mr. Georges Valade (St. Mary):** Mr. Speaker, I am addressing my question to the Minister

of Justice. As it seems evident that no agreement will be reached with regard to provincial lotteries during the federal-provincial conference now taking place, can the Minister of Justice tell us whether he intends to introduce in the very near future a bill in the house tending to amend the Criminal Code so as to allow provincial lotteries, as promised by the Liberal party during the last election campaign?

**Hon. Lionel Chevrier (Minister of Justice):** Mr. Speaker, I do not accept the introductory remarks to the question, which certainly anticipate discussions which might take place during this federal-provincial conference, as well as those which took place this morning between the attorneys general of the provinces and the Minister of Justice.

**Mr. Valade:** Mr. Speaker, on a point of order. The Minister of Justice implied that I might jeopardize the progress of discussion at the federal-provincial conference. Yet, the Minister of Justice stated himself that there had been no agreement with regard to provincial lotteries, that the issue had been discussed, and that there was no chance of the matter being discussed again at the federal-provincial conference.

[*Text*]

FEDERAL ATTITUDE TOWARD ALLEGED ULTIMATUM FROM QUEBEC

On the orders of the day:

[*Translation*]

**Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm):** Mr. Speaker, may I direct a question to the Acting Prime Minister?

In view of the fact that the province of Quebec has a culture and a language which differ from those of the other provinces and that it has, consequently, different needs, can the minister assure us that the federal government will accept the legitimate requests of Quebec?

**Hon. Lionel Chevrier (Acting Prime Minister):** The brief of the province of Quebec, which has been tabled, will be given careful consideration by the conference and the federal government, as will the briefs submitted by the other provinces.

**Mr. Pigeon:** Is it the intention of the federal government to capitulate to the requests of British Columbia, which are greater than those of Quebec?

**Mr. Chevrier:** I see that the hon. member must have consulted his chief, as yesterday the latter asked the same question about the province of Quebec.

[Mr. Valade.]

**Mr. Gregoire:** Mr. Speaker, may I ask a supplementary question? Can the Acting Prime Minister tell us whether the federal-provincial conference will carry on with its work next week?

**Mr. Chevrier:** Mr. Speaker, the matter rests with the provincial premiers and with the federal government, as they establish, from day to day, the procedure to be followed.

[*Later:*]

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I wish to direct my question to the Acting Prime Minister. Could he tell us whether the federal government has denied up to now the 25-25-100 formula of the Quebec premier, so that under the equalization system that province will have to be satisfied with some $30 million, a clearly insufficient amount considering its needs at the present time?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, the formulas submitted by the province of Quebec and several other provinces are now being studied by the government.

[*Text*]

AVAILABILITY OF SUBMISSIONS PRESENTED BY DELEGATIONS

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, may I ask is this a private debate, or can any of us get in on it? From the nature of the discussion I thought we were on motions. May I ask the Acting Prime Minister a question. Yesterday he tabled the submissions which have been presented at the federal-provincial conference, and he said that copies would be made available. On inquiry at the sessional papers office I found there was only one copy, and that was out on loan. I have not been able to get an original copy to make other copies, and there is no copy available anywhere.

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, the hon. gentleman is quite right. The difficulty is that when I inquired yesterday after I returned to the conference there were only four copies, and the copy I tabled was one of those four. Therefore what is being done now by the secretariat is to ask the premiers for additional copies just as quickly as they can be obtained, and when they are they will be given to the members.

REPORTED EXCLUSION OF OUTSIDE PRESS PHOTOGRAPHERS

On the orders of the day:

**Hon. Lionel Chevrier (Minister of Justice):** I was about to reply to a question that had been put to me yesterday by the right hon. Leader of the Opposition and the hon. member for Brome-Missisquoi in connection with the taking of pictures at the conference. The reply I wish to make is that press photographers were allowed into the conference room for nearly half an hour at the opening of the conference yesterday. Press photographers can, furthermore, take pictures of members of the federal and provincial delegations as they come into or leave the conference room. This, I am informed, as well as the taking of an official photograph by the national film board, accords with the practice which has been followed at previous federal-provincial conferences.

## EXTERNAL AFFAIRS

REPORTED EXISTENCE OF SPY RING WITHIN DEPARTMENT

On the orders of the day:

[*Translation*]

**Mr. Real Caouette (Villeneuve):** Mr. Speaker, may I put a question to the Secretary of State for External Affairs?

Is the Secretary of State for External Affairs in a position to confirm or deny the existence of a spy-ring within his department, as stated in an Ottawa newspaper, the *South End News,* yesterday?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I will look into the article in question and may give a reply tomorrow.

[*Text*]

## HOUSING

SASKATOON—DISQUALIFICATION WITH RESPECT TO WINTER CONSTRUCTION BONUS

On the orders of the day:

**Mr. E. Nasserden (Rosthern):** Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Did the minister receive a telegram yesterday from the hon. member for Saskatoon (Mr. Jones) regarding disqualification of about 60 houses in Saskatoon from the $500 winter construction bonus, unless by November 30 the owners comply with a sudden new instruction regarding fabrication on site, which completely contradicts earlier C.M.H.C. instructions? What action does the minister propose to take in regard to this matter, which will seriously affect the operations of the building companies involved because they cannot comply with this new regulation?

**Hon. J. R. Garland (Minister of National Revenue):** Mr. Speaker, without accepting some of the implications in the hon. member's statement, I would like to say I have been in touch with the hon. member for Saskatoon and sent him a wire earlier today which I think will satisfy that hon. gentleman, who is a well known and popular member of the house and who we are all sorry is unable to be here today.

**Mr. G. D. Clancy (Yorkton):** Mr. Speaker, I would like to ask a supplementary question. The deadline was November 10, for applications to December 1 for completing the floor basements and floor joists. I think the regulations should be looked into if the minister is going to make this plan work this year. Would he take that into consideration?

**Mr. Garland:** Mr. Speaker, I would ask the hon. gentleman to restate his question.

**Mr. Clancy:** The tender form I received from the department stated that all applications had to be in by November 10, 1963. Another clause stated that if certain work was completed after December 1, 1963, it would not be considered. Would the minister look into the regulations?

**Mr. Garland:** I want to be helpful, Mr. Speaker, but I think all I can say at this moment is that I will look into the hon. member's question.

## CANADIAN NATIONAL RAILWAYS

PROTEST AGAINST ABANDONMENT OF HUMBOLDT-MELFORT LINE

On the orders of the day:

**Mr. Reynold Rapp (Humboldt-Melfort-Tisdale):** Mr. Speaker, I would like to direct my question to the Minister of Transport. Has the minister been informed of the strong protest by the municipalities and boards of trade of territories which will be affected by the abandonment of a C.N.R. grain line between Humboldt and Melfort, because without doubt this will affect the agricultural industry in that area. I would like to register my personal protest against the abandonment of this very important grain line.

MASTER AGENCY PLAN—CLOSING OF STATIONS IN EDMONTON AREA

On the orders of the day:

**Mr. C. S. Smallwood (Battle River-Camrose):** Mr. Speaker, I have a question for the Minister of Transport with regard to

the master agency plan being enforced on the people in the Edmonton area by the C.N.R. officials. Is it correct that the stations in the affected area will be closed permanently as soon as the C.N.R. officials have met with the sessional committee of members of parliament, as already announced by one railway official?

**Hon. G. J. McIlraith (Minister of Transport):** Mr. Speaker, I cannot accept the statements made by the hon. member, but I will look into the subject matter raised in his statements and if there is anything in them I will give an answer.

## MINES, FORESTS AND WATERS

### LACK OF QUORUM AT MEETING OF COMMITTEE

On the orders of the day:

[*Translation*]

**Mr. Gilles Gregoire (Lapointe):** Mr. Speaker, I rise on a question of privilege.

A meeting of the mines, forests and waters committee was duly called for 3.30 yesterday afternoon. Around half past three or a quarter to four I went there with the hon. members for St. Lawrence-St. George (Mr. Turner) Richmond-Wolfe (Mr. Asselin) and Villeneuve (Mr. Caouette). We were twelve members whereas the quorum is only ten.

Since there was only one item on the agenda, that is the invitation extended to the Quebec and Ontario ministers of natural resources to come and express their views on the ownership of the islands situated in Hudson bay and James bay, two Liberals, namely the hon. member for St. Lawrence-St. George and the hon. member for Richmond-Wolfe left—

[*Text*]

**Some hon. Members:** Order.

**Mr. Speaker:** Order. What is the question of privilege?

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, it is a rule of the house, surely, that matters which are referred to a committee should be settled in the committee and not dragged into the proceedings of this house while the committee is still sitting and has not made a report. I suggest to the hon. gentleman that matters of this kind should be dealt with in the committee, according to the rules of this house.

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, on the question of privilege—

**Mr. Speaker:** Order. Would the hon. member for Lapointe please state his question of privilege quickly. If it concerns the proceedings of a committee, such matters should be settled within the committee. What is the question of privilege?

**Mr. Nielsen:** Mr. Speaker, on the point of order raised by the Secretary of State it is not a question of the content of the discussion in the committee, but rather that two Liberal members walked out, thus destroying the quorum that was already there and preventing the committee holding a meeting.

**Some hon. Members:** Hear, hear.

**Mr. Pickersgill:** I submit that this is a matter for the committee, Mr. Speaker—

**Some hon. Members:** No.

**Mr. Pickersgill:** —and not for the house. I also suggest that the committee should look after its own affairs in regard to matters which have been referred to it by the house.

**Mr. Gregoire:** Mr. Speaker—

**Mr. Speaker:** What is the question of privilege, please?

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, here is exactly the point of privilege; the committee does not sit because the Liberal members do not attend its meetings and do not want to examine the questions put before them. And when a member takes the time to go to the committee—

[*Text*]

**Mr. Speaker:** Order. I think the point taken by the Secretary of State is well founded. It has been decided in this house many times that matters affecting the conduct of a committee must be decided within the committee and not brought to the attention of the house.

[*Translation*]

**Mr. Gregoire:** On the point of order, Mr. Speaker, it is precisely because the committee does not sit—

[*Text*]

**Mr. Speaker:** Order. I have decided the questions. There is no question of privilege.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I appeal against your ruling.

[*Text*]

**Mr. Speaker:** Order. The hon. gentleman knows the rules as well as I do.

[*Translation*]

**Mr. Gregoire:** Mr. Speaker, I appeal against your ruling.

[*Text*]

**Mr. Speaker:** The house has heard the decision of the Chair from which the hon.

member for Lapointe has appealed. Those in favour of sustaining the decision of the Chair will please say yea.

**Some hon. Members:** Yea.

**Mr. Speaker:** Those opposed will please say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it. I declare the ruling sustained on division.

## TRADE

### OATS AND BARLEY—STATEMENT ON EXPORT POSITION, ETC.

On the orders of the day:

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Yesterday the Leader of the Opposition asked me a question about oats and barley. First of all he referred to a statement which he alleged had been made by one of the commissioners of the wheat board to the effect that the situation as far as these two farm commodities are concerned is not favourable for export.

I inquired into the statement which the Leader of the Opposition alleged had been made in this regard, and I could find nothing to support the right hon. gentleman's assertion. The statement which was made by Mr. Robertson on this question was as follows:

> In the case of oats and barley, it is unlikely producers will be able to market as much as they wish of these two grains but it is reasonable to expect delivery opportunities comparable to those of recent years.

I should like to go on to say something about the position of oats and barley, since this was the subject of the second part of the question asked by the right hon. gentleman. As all hon. members know, there was a magnificent harvest in western Canada this year, and the wheat board expects that between exports and domestic consumption the whole of the wheat crop will be disposed of within the present crop year. There has also been a very large crop of oats and barley. As the Leader of the Opposition knows, in recent years, indeed ever since we have been growing oats and barley, a high percentage of these grains has been marketed or consumed domestically and a relatively small quantity, particularly in the case of oats, has been exported. This will continue to be the situation in the present year.

I should like to add this, however, and I know the right hon. gentleman will welcome this news. There has been a substantial improvement in exports of oats and barley from Canada this year. In the case of oats, exports have been more than doubled, and in the case of barley they are three times as high as they were a year ago.

**Mr. Diefenbaker:** Just give us the figures.

**Mr. Sharp:** Well, the figure last year, for the period up to November 20 was, in the case of oats, 1,900,000 bushels. This year it is 4,400,000. Last year for barley it was 2,900,000; this year it is 8,600,000. I think hon. members will agree that this represents a very substantial increase in exports. There has also been a substantial increase in shipments of oats and barley out of country elevators to eastern Canada and out of the lakehead. I make this point particularly because there have been a number of suggestions made in the house that the movement of oats and barley to eastern Canada has not been substantial.

Perhaps I might put these figures on the record, too. From the opening of this crop season, shipments of oats out of the lakehead have been 17.8 million bushels compared with 13.7 a year ago. In the case of barley, shipments amounted to 23.8 million bushels compared with 14.4 million a year ago. Notwithstanding this substantial and welcome improvement in the movement of oats and barley both domestically and for export, it is inevitable that, with such a large crop as the commissioner of the wheat board mentioned, delivery opportunities will be limited but will be at least comparable with those of recent years.

**Right Hon. J. G. Diefenbaker (Leader of the Opposition):** Mr. Speaker, I would not have risen on a question of privilege had it not been for the gratuitous insertion into the debate of unnecessary figures. Now I want to read what was said:

> A Canadian wheat board commissioner says western farmers will not be able to sell much oats or barley this crop year, but growers would be able to sell "as much wheat as they wish to".

It was on the basis of that statement that I asked the question. The hon. gentleman has pointed out the amount of exports—

**Mr. Sharp:** That was the right hon. gentleman's question.

**Mr. Diefenbaker:** —so far as oats and barley are concerned. I did not interrupt while the hon. gentleman placed his information before the house, and I ask for the same courtesy. Mention was made of the fact that this year up until November 20 exports had been 8,600,000 bushels. I would point out that in 1962-63 the total exports of barley and barley products were 42,900,000 bushels while the previous year it was 15,400,000. So that every statement I made was in accordance with the facts.

*Inquiries of the Ministry*

**Mr. Sharp:** I should just like to make two points. I answered the question asked by the right hon. gentleman yesterday when he said that some commissioner of the wheat board had suggested that there had been a drop in exports of oats and barley. That is not so, and the right hon. gentleman has still not proved it. The second point is that I gave the figures in answer to the question of the right hon. gentleman, and I would not have given them had he not asked for them.

**Mr. Diefenbaker:** I want the house to have the facts; that is the reason I made the addendum.

## INQUIRY FOR RETURN

CORRESPONDENCE RESPECTING COLUMBIA RIVER TREATY

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, on October 30 I moved a motion for the production of papers concerning correspondence between certain ministers of the crown and other persons in Canada with respect to the Columbia river treaty. I want to ask that fountain of all information, the Secretary of State for External Affairs, when those papers will be produced, because there are a great many people who are curious about those letters.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, I shall seek to satisfy the curiosity of the hon. gentleman as quickly as possible.

## NORTHERN AFFAIRS

HAINES ROAD—NEGOTIATIONS RESPECTING MAINTENANCE DURING WINTER

On the orders of the day:

**Mr. Erik Nielsen (Yukon):** Mr. Speaker, in the absence of the Minister of Northern Affairs and National Resources and his parliamentary secretary, may I ask the acting minister of northern affairs whether negotiations have yet been completed between the government of Canada and the government of the United States with respect to the all-weather maintenance of the Haines road in the Yukon.

In the absence of the acting minister may I ask the deputy acting minister if he has an answer?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I do not think the hon. member was directing his question to me, but in any event I shall take notice of the question and see that it is brought to the attention of the minister.



## WORLD FAIR

REPORTED TECHNICAL DIFFICULTIES RESPECTING SITE

On the orders of the day:

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, I should like to direct my question to the Minister of Public Works.

What are the new technical difficulties affecting the development of the world fair site of 1967 to which Mr. Lucien Saulnier, and the vice president of the fair, Mr. Robert Shaw, referred? Can he tell the house whether those difficulties may delay the development of the site?

[*Text*]

**Mr. Speaker:** Order, please. This is a question for the order paper.

**Mr. Martineau:** Mr. Speaker, I would point out that these statements have been made within the last 24 hours by very responsible officials of the world fair. They are of a nature that may affect the preparation of the site, and I think the house is entitled to know if such difficulties exist and if in reality they will affect this project, which is very important for Canada.

[*Translation*]

**Hon. J. P. Deschatelets (Minister of Public Works):** Mr. Speaker, I would doubt very much that new developments have come up which could delay the working out of the exhibition plan, as I have not received any report to that effect.

[*Text*]

## AGRICULTURE

DISMISSAL OF P.F.A.A. SUPERVISOR FOR SWIFT CURRENT

On the orders of the day:

**Mr. Jack McIntosh (Swift Current-Maple Creek):** Mr. Speaker, I think we are all pleased to see the Minister of Agriculture back in the house, and that he has made such a rapid recovery from his recent illness. I see he has *Hansard* in his hand, and I presume he has an answer to the question I directed to him in his absence the other day.

**Hon. Harry W. Hays (Minister of Agriculture):** Mr. Speaker, the hon. member for Swift Current-Maple Creek asked the Acting Prime Minister this question on Tuesday last, and the Acting Prime Minister was pleased to turn it over to me this morning. I am glad to reply to the question, which reads in part as follows:

It arises out of a statement the Minister of Agriculture apparently made to a Liberal audience in Red Deer, Alberta, as reported in the Edmonton

*Journal* of Monday, November 25, in which he said in part "Patronage, what is that? I select people according to merit." If it is government policy that personnel are selected on merit why was it, in view of this statement by the minister, that Mr. George Walker, the former P.F.A.A. supervisor for Swift Current, was discharged from the government service? Either this statement is false or the minister does not practise what he preaches.

Mr. George Walker was discharged on the recommendation of the director because he did not perform his duties satisfactorily. The director was appointed by the previous administration and is a good man.

[*Later:*]

**Mr. McIntosh:** I have another question for the Minister of Agriculture arising out of the answer he gave to my earlier question. I understand that in his files he will find a report made by the present director in regard to the supervisor to whom I just referred, to the effect that he was the most capable supervisor in that branch.

**Mr. Speaker:** Order. What is your question?

**Mr. McIntosh:** If he does find this report, will he consider firing the director and reinstating the supervisor?

**Mr. Hays:** I should like to answer the hon. member's question. Apparently he does not understand that the problem arose out of the fact Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek instead of the director. This was one of the problems, and was not satisfactorily fulfilling his job.

**Mr. McIntosh:** May I ask the minister if he would repeat his answer. I did not hear what he said.

**Mr. Speaker:** Order. This is becoming a debating period instead of a question period.

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Surely, Mr. Speaker, that is a question of privilege. If a member has just been accused of giving orders to a civil servant, surely he has the right to get up and make a reply.

**Mr. McIntosh:** I did not hear the exact words the minister used. I should like him to repeat them, and then I was going to raise a question of privilege.

**Mr. Speaker:** In view of the important business still before the house may I suggest to the hon. member that he read what was said, and if he has a question of privilege he can raise it tomorrow.

**Mr. McIntosh:** If I have your permission to raise it tomorrow, Mr. Speaker, I shall do so.

28902-5—330½

*Inquiries of the Ministry*

FEDERAL AGENCY TO PROVIDE FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

**Mr. H. Russell MacEwan (Pictou):** I should like to direct a question to the Minister of Agriculture which concerns a matter of great urgency to the Atlantic provinces. Is it the intention of the government, early in the new session, to bring forward legislation setting up a federal feed grain agency to deal with western feed grains for eastern farmers?

**Hon. Harry W. Hays (Minister of Agriculture):** This matter is under discussion at the moment and there is nothing I can say about it. I cannot comment further.

REQUEST FOR STORAGE SPACE IN MONTREAL FOR ONTARIO CORN

On the orders of the day:

**Mr. J. A. McBain (Elgin):** I should like to direct a question to the Minister of Transport, of which I have given him notice. Could the minister supply any additional information further to his reply to my question on November 5 concerning the storage of Ontario corn in Montreal national harbours board elevators? Is discrimination being practised against Ontario corn by Montreal elevator operators, who only allow the unloading of five to ten cars per week or a total of 10,000 to 20,000 bushels, while at the same time United States boats arriving at Montreal with 400,000 to 500,000 bushels of corn are unloaded almost immediately? The information I have received is that at the present time there are about 100,000 bushels of Ontario corn in Montreal elevators for the winter months, while at the close of navigation in mid December there will be over two million bushels of United States corn in storage.

**Hon. G. J. McIlraith (Minister of Transport):** I want to thank the hon. member for giving me notice of his question, and to assure him that no discrimination is being practised against Ontario corn by the national harbours board elevators at Montreal. More than ten railway cars or 20,000 bushels per week of Ontario corn were unloaded in Montreal elevators in the following weeks:

| | |
|---|---|
| Week ending November 2 | 26,086 bushels |
| Week ending November 9 | 101,311 bushels |
| Week ending November 16 | 61,300 bushels |
| Week ending November 23 | 69,618 bushels |
| Week ending November 27 | 74,696 bushels |

All vessels containing United States corn had to wait before being unloaded in Montreal, as follows: one ship, three days; one ship, nine days; one ship, eight days. As of 8 a.m. today, November 28, the quantity of

Ontario corn in Montreal elevators is 252,979 bushels. The quantity of United States corn in Montreal elevators is 1,281,905 bushels. It is not possible to foresee at this time what quantity of United States corn will be in store in mid December. However, as far as it can be determined at this time the quantity of United States corn in store in mid December is unlikely to exceed 1,300,000 bushels. There are at present on harbour tracks nine cars of Ontario corn, and they will be unloaded not later than tomorrow evening.

**Mr. Raymond Langlois (Megantic):** May I ask a supplementary question of the Minister of Trade and Commerce. Can he say how the importation of corn from the United States this year compares with last year? Is it greater or less?

**Mr. Speaker:** Order. This is a question for the order paper.

## CANADIAN BROADCASTING CORPORATION

### INQUIRY AS TO PREPARATION OF CAPITAL PROGRAM

On the orders of the day:

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, I should like to ask the Secretary of State a question relating to the Canadian Broadcasting Corporation. I should like to ask the minister whether any conversations were had or instructions exchanged between the government and the C.B.C. with regard to their capital program that is in the estimates for the coming year, from the point of view of whether they are to plan or prepare it on a five year basis, as his party suggested would be the practice.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, if I may ask the hon. gentleman a question, is he referring to the future or to the present program? If he is referring to the present program, as the hon. gentleman knows, that is a program that was put in the estimates by the previous administration. But if he is referring to the future I regret to say that up to now I have had no time to have any discussions with the C.B.C. about its program for next year or for subsequent years. I would remind the hon. gentleman, however, that if he will look again at the report of the Fowler commission he will find that it was the program of operations that was to be put on a five year basis, and there was never any suggestion that there should not be year to year control of capital development.

**Mr. Fisher:** A supplementary question. Does the government intend to go ahead with its announced policy with regard to the Canadian Broadcasting Corporation and a five year plan?

**Mr. Pickersgill:** It is the policy of the government, as rapidly as it can be achieved, to put the budget of the Canadian Broadcasting Corporation on such a basis that it is not determined from year to year by treasury board, and so that it is known to the whole of parliament that it is not in any way under the control of the government or, as I said when I was in opposition, under the thumb of the minister of finance. I think that is an undesirable situation that should be corrected as quickly as possible.

**Mr. Fisher:** A supplementary question. Since April is some months behind us, it is worth asking what steps the minister has taken to carry this out. Is the C.B.C. simply to understand from this general statement that this is so?

**Mr. Pickersgill:** Oh, no. The responsibility is clearly on the government, and the hon. gentleman and all other hon. members will be informed of the position of the government as soon as it has been formulated.

### NAMING OF BUILDING IN MEMORY OF PRESIDENT KENNEDY

On the orders of the day:

[*Translation*]

**Mr. Jean Chretien (St. Maurice-Lafleche):** Mr. Speaker, I should like to direct a question to the Secretary of State.

Does the government intend to name after the late president of the United States, Mr. John F. Kennedy, one of the federal buildings under construction like, for instance, the C.B.C. headquarters in Ottawa?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, the suggestion made by the hon. member is one that I think will interest all hon. members, and I will certainly bring it to the attention of the corporation.

### BRITISH COLUMBIA—AVAILABILITY OF FRENCH LANGUAGE PROGRAMS

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.

Could the minister tell the house whether French Canadians in British Columbia will soon be served by the C.B.C.'s French T.V. network?

[*Text*]

**Hon. J. W. Pickersgill (Secretary of State):** I, of course, do not carry in my head all the details of the plans of the C.B.C., but I shall be glad to inquire and inform the hon. gentleman and the hon. member for Burnaby-Coquitlam as well, who would obviously be greatly interested in this question.

## INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO GOVERNMENT DECISION

On the orders of the day:

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, I wanted to direct my question to the Minister of Industry, but as he is absent I will direct it to the Acting Prime Minister. In view of the fact that the current issue of *Time* magazine carries a detailed report on the developments relating to the government's decision on heavy water, and contains information that some of us have been trying to get for some time; and in view of the fact that the tender deadline date for the heavy water project was May 31 last, could the Acting Prime Minister inform the house when the government is going to be able to give some information relating to its decision on this vital project?

**Hon. Lionel Chevrier (Acting Prime Minister):** Mr. Speaker, I am not in a position to reply to this question today. I doubt that a decision has been taken. In any event, I shall be glad to draw the question to the attention of my colleague who, as the hon. member knows, is at the conference at this time.

**Mr. Robert Muir (Cape Breton North and Victoria):** A supplementary question, Mr. Speaker. Does the Acting Prime Minister not think that the hour of decision is at hand on this matter?

**Mr. Chevrier:** The answer to that question is probably yes.

## TRANSPORT

CONSULTATION WITH PROVINCES BEFORE DECISIONS REACHED

On the orders of the day:

**Hon. Leon Balcer (Three Rivers):** Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister tell us whether he has made any arrangements to meet with Premier Lesage while Mr. Lesage is in Ottawa, to discuss with him the suggestion of the premier that no decision respecting transport should be taken without previous consultation with the provinces?

**Hon. G. J. McIlraith (Minister of Transport):** No, Mr. Speaker.

**Mr. Balcer:** As a supplementary question, may I ask the minister if he will give us his opinion on the suggestion of Mr. Lesage?

**Mr. McIlraith:** Mr. Speaker, I think that would be a clear violation of the rules.

## INDIAN AFFAIRS

BRITISH COLUMBIA—INQUIRY AS TO ESTABLISHMENT OF LIAISON COMMITTEE

On the orders of the day:

**Mr. Frank Howard (Skeena):** In the absence of the Minister of Citizenship and Immigration I would like to direct this question to the acting minister. Did the government or the minister make a commitment to one Mr. Henry Castilou of British Columbia to the effect that there would be an Indian liaison committee appointed consisting of parliamentarians and advisers for the purpose of making annual visits to the various Indian villages in British Columbia?

**Hon. J. W. Pickersgill (Acting Minister of Citizenship and Immigration):** I really cannot say, but I will ask the minister to reply.

## INQUIRY OF THE MINISTRY

On the orders of the day:

**Mr. Frank Howard (Skeena):** I should like to direct a question to the genial Secretary of State for External Affairs and ask him whether, in view of the fact we have in the diplomatic gallery two distinguished gentlemen from British Columbia, namely the premier and the minister of health, the government of Canada looks upon that province as being a friendly power?

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Speaker, may I reply to that question by saying that I am sure we are all pleased to see the premier of British Columbia and other premiers in the gallery today. I understand there are several premiers present in the gallery but I only see Premier Bennett and Premier Smallwood, and if I do not mention the others it is simply because I do not see them.

In answer to the hon. gentleman's question I want to say this government seeks to conduct the public business in such a manner as to enjoy the happiest relations with all the provinces.

## SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

**The Chairman:** Order. House again in committee of supply, vote No. 1 of the estimates of the Department of External Affairs.

1. Departmental administration, $7,648,800.

**Hon. Paul Martin (Secretary of State for External Affairs):** Mr. Chairman, the motion to refer the estimates of the department to the standing committee on external affairs gives the first occasion that I have had since assuming my present responsibilities to make a comprehensive statement on Canadian external policies and the international developments to which they are directed.

I have, of course, already made a number of statements in the house on specific aspects of foreign affairs which from time to time have seemed to require special comment. And so I do not intend to cover every aspect of our foreign policy today. Instead, I should like to concentrate on those international developments which are of general concern because of their bearing on international peace and security, and on those which have particular relevance to Canadian external activity.

As we all know, there are certain factors which condition our responses to the shifting international events of our time. Factors such as history, our traditions, our resources, our geographical location and our cultural composition are present at all times, whatever the issue happens to be or whatever government in Canada finds itself in power, and they combine to create what I would call a natural Canadian reaction to any major international development. At the very least, these continuing factors tend to define the limits within which Canadian policy can develop and still remain true to our national values. They give a general continuity to Canadian policy which transcends party considerations, and I am sure that all hon. members would wish to see continued the non-partisan spirit that customarily has been reflected in our external policies.

**Mr. Diefenbaker:** Until last year.

**Mr. Martin (Essex East):** Just as there is a constant theme running through Canadian foreign policy over the years, so also do I believe there is a continuity of external policies on the part of our great neighbour to the south. Even so profound a tragedy as that which befell the United States just a week ago will not alter in any fundamental way the firm but wise and humane qualities which generally have been the hallmark of American leadership on the great international issues of our times, those affecting peace and war, and the task of raising living standards of the less fortunate peoples of the world. The wanton crime which ended a brilliant young life and career, striking grief into the hearts of all citizens of the world, as the late President Kennedy often called his fellow human beings, may lead to a pause while the new President gathers to himself the strands of office; but the course of American policy, as we know now from his statement yesterday, remains unchanged. The values by which John Kennedy lived, and for which he died, will live on. I know the house will join with me in extending to the President of the United States our best wishes and our pledge of Canadian co-operation in discharging the arduous responsibilities which have fallen to him.

**Some hon. Members:** Hear, hear.

**Mr. Martin (Essex East):** Among the tasks which will confront him are a number of important and delicate questions affecting Canadian-United States relations. It is not my intention today to go into detail with regard to these relations, except to assure the committee that all of them are under intensive discussion with the United States government; in a general way these discussions were continued with the meeting of the Prime Minister of Canada and the President of the United States on Monday last.

Institutional and personal relations between these two countries are so varied and so intertwined that problems are bound to be manifold, and some conflict of interest cannot be avoided in intercourse between two nations. But without continuous communication in an effort to find solutions that will satisfy the interests of the United States and Canada, no tolerable solutions will be found. It has therefore been a primary objective of government policy to see to it that a genuine dialogue was resumed at all levels between our two countries. This process was begun at Hyannis Port and has been maintained ever since through a variety of channels. It is our intention that it should be continued uninterrupted, however difficult the problems may seem, and I believe it was not without significance that the Canadian Prime Minister was among the first, along with the President of France, to be received by the new President of the United States on Monday last.

At this meeting with President Johnson, which I attended, it was clearly evident that the President regards the relations between our two countries as important, and I can say it was quite evident that he will derive considerable satisfaction from continuous contacts with the Prime Minister of Canada.

In assessing the international atmosphere as a whole, which is one of the things I wish to do in this statement, the state of relations between the communists and the rest of us is

of course basic. Some other problems, particularly that of assisting the peoples of the less developed countries to advance into full participation in mankind's heritage of dignity, freedom and welfare are no less difficult and in the long run even more important, but it is relations with the communist countries which have involved the risk of war and have demanded the diversion to defence of vast resources which, in a more settled world, could be used for the purposes of instruction and well being.

It is therefore with some sense of satisfaction that one can compare the general international situation today with what it was a year ago. At that time the world stood on the very brink of nuclear war as the result of a sudden, secret deployment of Soviet strategic missiles in Cuba. We now know, as I am sure the right hon. Leader of the Opposition would confirm, that a year ago, in what Mr. Gromyko has referred to as the Caribbean situation, the nations looked for the first time right down into the pit of nuclear fire. That Soviet clandestine move produced the most dangerous crisis of the post-war period but it was one which I believe may mark a new chapter in east-west relations. Happily, that situation was resolved in a way which not only avoided open conflict but opened up new avenues for reducing tensions. It was typical of the late president of the United States that at the peak of that crisis he had the foresight to speak of peace.

But the major political problems of the world remain, in Germany, in Indo-China, in Cuba. The problem of Berlin access is with us still, as recent tense moments on the autobahn have reminded us. These and other problems caused by Stalin's division of Germany and Europe remain as grave sources of tension in the world, potentially as dangerous as Cuba. So when I speak of satisfaction at the improvement in the world political situation during the past year, I do not suggest that there are any grounds for complacency. Critical problems in adjusting relations between the communist and the non-communist worlds remain. Of course it is not possible to define precisely what prompted the Soviet authorities to co-operate in concluding certain limited, tension-easing agreements, of which the partial test ban treaty is the most significant, after some years of refusing these same proposals. Doubtless a variety of factors entered into the decision. One Soviet motive may have been a desire to reduce the risk of war; for there is no question in my mind but that the Soviet people, like our own, ardently desire peace and that Cuba was a sobering lesson for everyone. Another motive was, I think, economic, since the partial test ban treaty seems likely to limit the extension of the arms race into even more sophisticated and expensive areas of development. The Soviet leaders probably also share with us a desire to discourage the dissemination of nuclear weapons under the independent control of more and more governments, a development which could vastly increase the danger of accidental war and make much more complicated, and perhaps hopeless, the prospect of achieving disarmament.

Evolution within the communist bloc may have exerted considerable influence. In eastern Europe the Soviet union's allies now enjoy a greater freedom to manoeuvre than was possible a few years ago. I think this was highlighted the other day when my colleague the Minister of Trade and Commerce and I received in our offices a member of the government of Bulgaria who had come to Canada to discuss with us matters involved in a prospective trade treaty. Although on key international issues such as disarmament and Germany and Berlin the bloc countries give apparently unquestioning support to the Soviet union, it is nevertheless evident that on internal policy relating to collectivization of agriculture, de-Stalinization, and so on, and on bloc economic policies, there are variations which indicate clearly that differing national requirements and interests are more and more taken into account.

Moreover, there seems to be some increase in the realism of the Soviet leaders on the essential issues of Soviet-western relations, and this realism may make possible in due course limited agreements on a number of other issues to complement and consolidate the relaxation begun by the achievement of the limited test ban agreement. The dialogue between the Soviet union and the United States, as the leading representative of the west, has been resumed and it is to continue, as President Johnson's first message to Chairman Khrushchev indicated yesterday.

Now, sir, a major factor in Soviet thinking, of course, is the problem of its relations with communist China. While we have long known that there were serious differences between the Soviet union and China, and that China has never been a true satellite of the Soviet union, the new element is the unrestrained public disclosure of the extent of the rift. The dispute now appears to have been carried into the field of interstate relations, affecting economic, political and possibly even territorial aspects. It would be unwise, of course, to judge how far these differences may yet be carried, for the sobering fact is that they are still agreed as to their basic aim, the extension of communism throughout the world. Their differences are related primarily to the means by which this aim can best be achieved,

although in the process national and racial considerations appear to have become involved.

Neither do I wish to minimize, however, the significance of the nature of their differences over method. Communist China maintains an attitude of unreasoning militancy while the Soviet union proclaims the policy of peaceful coexistence. The communist dogma of the inevitability of war is thus at the very root of Sino-Soviet differences. How this conflict of view between the two leading nations competing for influence and domination of the international communist movement is resolved can have the most profound influence on the peace of the world for years to come.

There can be little doubt of the aggressive nature of current Chinese policies. Quite apart from China's often proclaimed call for active prosecution of wars of liberation, her adherence to the doctrine of the inevitability of war, her rejection of the test ban treaty, and similar evidence of a hard attitude, communist China has provided a modern example of expansionism through her limited invasion of India last year. A statement at the time revealed that her object was not only the promotion of territorial claims, but the diverting of India's economic resources to defence and the discrediting in India's democratic process. It had all the evidence of a bid to demonstrate to other nations that the principal power in Asia was communist China, not India. It is also noteworthy that the Soviet union condemned China for its intransigence for refusing to negotiate the border settlement with India on the basis of the so-called Colombo proposals, and reiterated its belief that negotiations are better than war.

The dispute between communist China and the Soviet union is likely to force both of these countries to re-examine the fundamentals of their relations with the rest of the world.

We should be careful, however, not to become complacent at the sight of the two communist giants openly quarrelling between themselves. There are factors which could make them keep their dispute, despite the evident contradictions, within bounds. But quite apart from this, it does not follow that bad relations between the Soviet union and communist China will necessarily mean any improvement in relations between either of them and the west, nor even necessarily any benefit to the non-communist world in which they are already competing for influence.

How, then, are we to deal with the communist Chinese colossus, whose annual population increase is equal to the present population of Canada? For almost the entire period of its existence communist China has been effectively isolated from the non-communist world, partly as a result of western policies but partly out of deliberate choice. We have had a recent example of China taking an initiative to intensify its own isolation. The test ban treaty was a step, albeit a small one, away from the arms race and therefore away from war. It is unfortunate and ominous that the Peking authorities chose to express strong opposition to it, in sharp contrast to its ready acceptance by the vast majority of the nations of the world.

So we must carefully consider whether the degree of isolation which now surrounds communist China is healthy; whether it promotes international peace or tends to intensify the threat to it. At one time the Soviet union was in a similar state of isolation. I wonder how many of us believe that Soviet isolation served the interest of world peace? I well remember Mr. Vishinsky saying in the United Nations that never would he allow the windows of the Soviet union to be opened to the ideas of the west. And the nations of the west at that time, for the most part, strove to establish contact with the Soviet union along lines which have now clearly become better established.

Some means must be found to remove the suspicion and ignorance which feeds on isolation. The lesson of the last years seems to point toward increased contacts. Whether those contacts take the form of scientific and cultural exchanges or of limited agreements, they serve to lower the barriers of hostility. I do not suggest it would be appropriate to rush into some new formal relationship at this time with the Chinese people's communist republic. The avowed intention of Peking to occupy Formosa stands as a serious obstacle to both the seating of communist China in the United Nations at this time and to the recognition of the Peking regime. But I suggest that the increasing ostracism of communist China from the world community may be self defeating and a potential threat to international stability. It is not too soon to begin in the west to formulate realistic and farsighted policies toward this Asian giant.

Trade, of course, has a special place in the process of overcoming the mistrust which exists between the west and the entire communist block. The Soviet union and other communist countries are facing a particularly difficult problem of resource allocation at the present time, and both the nature of this problem and the attempts to deal with it will have important implications not only for the domestic and foreign policies of those countries but for east-west relations in general.

What are the implications for Canada of the developments which I have been discussing? First, it must be understood that we are bound by treaty obligations, by tradition and by national interest to the Atlantic world and to those countries which derive historically, economically and politically from western Europe. Interdependence is a fact of international life, and Canadian relations with the communist world are inevitably governed by the general state of relations between the two great military groupings, particularly those of the United States and the Soviet union. It is neither possible nor desirable that our relations with the communist world should be significantly better or worse than the relations of our closest friends and allies with the communist world. Within those limits, however, there are certain possibilities open to us which could serve our interests and those of our allies. I believe profoundly that the long term solution of east-west problems will come through the slow evolution of communist thinking about their own methods and objectives, and about the outside world. It will not help if the Soviet leaders continue to feel that the west is totally alien and implacably hostile. Breaking down this dangerous misconception is the political reason behind our encouragement of cultural and other contacts, and it should also be the political reason for our trade with communist countries.

So for these broad political considerations, as well as for the commercial advantages which accrue to Canada, a country vitally dependent upon its exports, the government intends to allow non-strategic trade with the communist world to develop. We believe that through trade we shall encourage the evolution of institutions and attitudes in the communist countries more favourable to co-operation with the rest of the world.

It is essential, I believe, to assess realistically the elements which have contributed to the better atmosphere which undoubtedly does prevail at the present time.

**Mr. Diefenbaker:** Would the minister allow a question? What change has there been in the policy with regard to trade with communist countries in non-strategic materials and commodities? Has there been any change from the policy pursued by the government of which I had the honour to be the head?

**Mr. Martin (Essex East):** I do not think there has been any change.

**Mr. Diefenbaker:** That is what I thought.

**Mr. Martin (Essex East):** I do not think there is any change. I clearly indicated that in the basic Canadian foreign policy there is a continuity of development regardless of which government is in power. I believe the matters I am now discussing are of such importance that they do not lend themselves to any political advantage, and certainly I am not trying to take any advantage of that kind in this discussion.

**Mr. Diefenbaker:** We just want the record to be clear.

**Mr. Chevrier:** It should be clear as to other things, too.

**Mr. Martin (Essex East):** Apart from the critical role of the Cuban crisis in stimulating a re-examination of policies in both the east and the west, the concrete steps taken toward the easing of tensions have in fact been few in number. They consist exclusively of measures to slow down the arms race or reduce the danger of a sudden outbreak of war, but they leave completely unresolved all the political problems which could give rise to war.

The measures are three limited agreements, all falling within the general field, which might be classed as preliminary to disarmament. First, a direct emergency communications system has been established between Washington and Moscow which should do much to ensure that war between east and west does not come about as a result of accident or miscalculation. The difficulty encountered in communicating rapidly at the time of the Cuban crisis was evidently enough to induce the Soviet union to accept this measure, which the United States had first proposed in April, 1962.

Second, there was the Moscow treaty banning nuclear weapons testing in all environments except underground, signed by the United States, Britain and the Soviet union on August 5, 1963. Canada signed the treaty in the capitals of the three depository governments on August 8, 1963. It was an unprecedented first step toward limiting, both quantitatively and qualitatively, the production of nuclear weapons, and of course it carried with it the enormous human dividend of removing the most serious source of radioactive contamination of the atmosphere and seas.

But above all the signature of this treaty by the nuclear powers, and its subsequent acceptance by over 100 states, proved that by patient exploration agreements can be arrived at which serve the interests of both east and west. Its real significance lies in the prospect it holds out for a broader settlement of east-west questions by the same process. On the western side, it was accomplished without any sacrifice of principle or of security, and involved no political concessions. For example, adherence to the Moscow treaty by regimes which are not already recognized by Canada, in no way constituted extension of Canadian recognition to them.

May I observe that when on July 25 the Prime Minister announced Canada's decision to sign this treaty the authentic text was not available and was, therefore, not tabled in the house before the recess on August 2. Subsequently it was published. However, for the convenience of members I am now tabling copies of the treaty, three copies in the two languages. As all parties in the house have already expressed their wholehearted support of the agreement, arrangements are now being made to deposit Canada's instrument of ratification in Washington, London and Moscow.

The third limited agreement was that reached at the United Nations between the United States and the Soviet union to refrain from stationing or orbiting nuclear or other weapons of mass destruction in outer space. This took the form of separate expressions of intention by the Soviet union and the United States, which were welcomed by a unanimous resolution of the general assembly in October last; and as the house knows, this is a measure which successive Canadian governments have advocated.

It is to be noted that none of these agreements constitutes an actual reduction or elimination of weapons and armed forces. None the less the negotiations in the 18-nation disarmament committee in Geneva have been productive. The committee has played an important role in helping the major powers to reach agreement on all three measures. Even in the field of general disarmament the committee has made a valuable contribution toward narrowing the areas of difference between the communist and western positions.

Important gaps still persist, however, and I would not wish to leave the impression that progress on actual disarmament is likely to be quick and easy. The Soviet position on control, inspection and verification is not giving any evidence of moving in the direction which the west regards as essential.

The outlook therefore for disarmament is fraught with problems, and the 18-nation committee faces an enormous task. In the view of the Canadian government, among those measures designed to increase mutual confidence the committee might give priority to the examination of measures to reduce the risk of surprise attack by land forces, such as the establishment of ground observation posts. If these posts have sufficient liberty to observe within an adequate radius of action they could give assurance against the possibility of sudden war. I appreciate, however, that discussion is likely to be difficult, as the Soviet union tends to try to couple intrinsically worth while measures of this kind with unacceptable conditions, at least unacceptable to the western countries. The Soviet approach to disarmament has always been heavily influenced by its policies toward central Europe and toward Germany in particular. Their latest objective seems to be to induce the United States and Canada to withdraw their forces across the Atlantic and thereby remove the North American presence which is, to the great majority of Europeans, the tangible evidence of our commitment to their effective defence. The western response to all these overtures must of necessity be such as will take into account the exigencies of NATO defence as well as the need to reduce the risk of war by accident or miscalculation.

It is difficult to maintain the momentum toward disarmament engendered by the limited agreements which have been reached, especially in the face of political setbacks such as the renewal of Soviet harassment in the Berlin corridor. Yet it would be wrong to slacken our efforts, for as in the case of the limited test ban and the Austrian state treaty of 1955 a seemingly endless and inconclusive discussion can lead suddenly to progress and achievement. We owe it to ourselves and to humanity to persist in our efforts to achieve disarmament within conditions of security that will create the kind of international climate which in turn may encourage the settlement of some of the major political problems dividing east and west.

Our membership in the United Nations, along with NATO, our membership in the commonwealth and our proximity to the United States represent the cornerstones of foreign policy which have been recognized by all governments in Canada. Developments at the United Nations therefore continue to occupy a very important place in Canadian foreign policy.

**Mr. Diefenbaker:** Would the minister allow a question before he turns to another subject, in connection with the very laudable objective of disarmament? Is Canada now negotiating with Poland on a resolution for a nuclear free zone in central Europe?

**Mr. Martin (Essex East):** There are discussions proceeding between Canada and a number of countries with regard to the proposals for a nuclear free zones. With regard to the particular zone to which the right hon. gentleman directs my attention, as a member of the NATO alliance we must naturally take into consideration the views of our allies and the interests of the alliance itself. I am sure the right hon. gentleman will readily appreciate that. With regard to the proposals for a nuclear free zones in other areas of the world, we have given sympathetic support providing, as I have said before in answer to a question in this house, certain conditions which we believe essential are observed.

The atmosphere at the current assembly appears calm in the sense that the tensions between the communist and the non-communist blocs have eased, thus eliminating one familiar obstacle to constructive action by the world body. But one direct consequence of understanding in one area has been to cause renewed activity in another of no less importance. I refer to race relations, which now emerges as one of the dominant factors in international affairs. The African states are understandably aroused at the failure of their persistent efforts in the United Nations and in the specialized agencies to bring about any appreciable change in the policies of South Africa and Portugal. These and other issues of colonialism and racial discrimination are being featured prominently in the assembly debates. The aims and objectives sought by the African members are shared by almost the whole membership, but there is a substantial area of doubt about some of the measures proposed for achieving their desired ends.

Canada has consistently urged under this government, under the preceding government and under the government before that, that the membership of the United Nations should be comprehensive in character, and this is the fundamental reason we are opposed to any move to have members expelled from the United Nations. South Africa and Portugal have become the immediate object of such moves, which could have much wider application. There are within the organization other member states whose policies are just as repressive and just as discriminatory as the ill advised and repugnant policies now being followed by these two countries. In all cases we believe that such policies are more likely to be modified if they are kept under close scrutiny by the United Nations than if the states concerned were to be expelled. Moreover, we believe that all such measures which conform strictly to the letter of the charter of the United Nations could, unless carefully observed, create a situation resulting in far reaching harm to the United Nations itself. The government has made clear—

**The Chairman:** I am sorry I have to interrupt the minister. Is it agreed that he continue?

**Some hon. Members:** Continue.

**Mr. Martin (Essex East):** I thank the committee, because I should like on this occasion to make as careful and as comprehensive a statement as possible so as to outline the position which the Department of External Affairs and the government are taking at this time.

I made clear at the United Nations the position of Canada and its determination and desire to see the United Nations strengthened in every possible way, particularly as regards capacity to engage in peace keeping operations. We have urged other member states to follow the example of countries like Canada, the Scandinavian members and now the Netherlands, which have taken steps to prepare their national forces for emergency service with the United Nations.

We have called for the establishment of a compact military planning team in the secretariat to assist the secretary general in the conduct of peace keeping operations involving military personnel and equipment. We have offered to share with other governments our experience which we have gained from extensive participation in peace keeping operations over a period of many years in the United Nations and, pursuant to the Geneva accord of 1954, and through Canadian participation in the three international supervisory commissions operating in Viet Nam, in Cambodia and in Laos. We see the suggestion for extensive participation outside the United Nations by interested countries as a possibility for giving strength to the idea of a world peace force together with the suggestion of improvements to the secretariat by providing for the possibility of staff training for United Nations military operations. We are examining intensively, in this context and in others, ways in which these improvements can be achieved.

An important aspect of United Nations peace keeping relates to the financing of these ad hoc operations, principally those in the Congo and in the Middle East. We have been greatly concerned in recent times, as members of this house are, about the growing deficit in relation to the peace keeping accounts of the United Nations. The secretary general has estimated that this might be about $140 million by the end of 1963, and it is an indictment of our time that it should be possible for us to provide so readily, as we must, for our defences when at the same time it is so difficult to get the necessary moneys to keep functioning properly the organization that was established at San Francisco to try to substitute pacific means, conciliation, adjudication and discussion, for settling disputes between nations, instead of resorting to force.

We believe that the financial burden should be shared by all members of the United Nations, not only by some of the great powers and some of the lesser powers but by all the great powers and all the nations. There is room, of course, for offering the less developed countries some measures of relief from their assessments when peace keeping costs are

high. There is none for absolving countries with a capacity to pay from their financial commitments.

We believe that the peace keeping operations in the Congo and in the Middle East should be continued as long as they are considered necessary, and this will be a determination based upon prevailing practical and other considerations. It was on this basis that we supported the continuation of the Congo force for a further period of six months, that is until June of 1964. We believe that the United Nations emergency force should be maintained. We would be opposed to curtailing that body if by such curtailment there should result any inefficiency or any failure to provide the stability which is generally desired in the Middle East. We believe the continuing effectiveness of these peace keeping bodies will depend on satisfactory financing arrangements being made.

The most recent peace keeping effort of the United Nations, to which Canada is contributing an important element in the staffing and maintenance of the air component, is the observation mission in Yemen, about which I am sure the right hon. gentleman heard a good deal during his visit to the Middle East a few months ago. The government's decision to meet the secretary general's request for Canadian participation was consistent with our policy of supporting this fundamental aspect of United Nations activity. This was a hazardous experience. It was originally participated in by Yugoslavia, the country which supplied the ground force, and by Canada, which supplied the air component. The governments of the United Arab Republic and Saudi Arabia undertook to supply the necessary finances for an initial two month period. Following further commitments to finance an additional four months' operations, the secretary general has extended the mission until January 4, 1964, at which time the situation will, I expect, be reviewed by the security council.

But I must emphasize in this connection that the United Nations mission in Yemen is strictly a temporary operation limited to observing and verifying the progress of disengagement. It is not charged with the supervision or enforcement of the agreement. Unfortunately, progress on disengagement to date has not been encouraging, and I can only express the sincere hope that the extension of this mission's period of responsibility will afford time for more effective implementation of the agreement. I also expect that time will be utilized in devising some civilian observation machinery more appropriate to the task in Yemen.

[Mr. Martin (Essex East).]

**Mr. Churchill:** Would the minister permit a question? How many Canadians are involved in the operation in Yemen?

**Mr. Martin (Essex East):** I do not have the exact number, but it is somewhere between 20 and 30.

A situation must not be allowed to develop in which the parties would use the presence of the United Nations mission as a cover for the indefinite continuation of their involvement in the affairs of Yemen.

The Canadian delegation at the United Nations is active, as in other years, in many other fields; in promoting disarmament, co-operating in outer space, scientific research in relation to the hazards of radiation, respect for human rights, and the program of economic and social development carried out under the auspices of the United Nations and the specialized agencies. We shall continue our support for humanitarian programs designed to alleviate refugee problems. We are actively engaged, as a number of the preparatory committee in each case, in the organizing work for the United Nations conference on trade and development in March of 1964, and for the international year of co-operation in 1965. I am happy to take this opportunity of welcoming to our capital Mr. Prebisch, the president of the United Nations trade and development conference, who is in our city today and tomorrow. Certainly the trade and development conference will be a matter of special interest and concern, and I might say that it was the subject of considerable discussion at the meeting of the O.E.C.D. in Paris.

Canada has been able in the United Nations, I believe, as I found in the period when I was there at the beginning of the session and from time to time when I returned, to strengthen bilateral relations with most member states, particularly with the new states of Africa. I have welcomed the occasion to talk to many of the representatives of the African states, to get to know their problems a little better and generally to let them understand the good will and the favourable disposition that Canada has toward them.

The opportunity for personal conversation on a wide range of subjects is, in my judgment, one of the valuable dividends of the general assembly. Another is the ability of the organization to provide its member states with a wide variety of means for bridging and reconciling differences. This may be the real reason for striving ceaselessly to keep the United Nations in working order; for in spite of its imperfections this international instrument has demonstrated its capacity to respond

to most of the basic needs of the international community in a period of exceptional difficulty.

A foreign minister of one of the great powers said to me only a few days ago that Canada is an idealistic nation; its confidence in the United Nations seems to be unbounded. My reply was yes, we are an idealistic people; we do believe in the United Nations, and we do believe that if our world is to survive in this interdependent period, that body must be given increasing support. I believed, when I said that, I spoke for every member of this house and for the vast majority of the people of our country.

I made reference a few minutes ago to the rapidly changing nature of the world in which we live. One of the most dramatic manifestations of change has been the emergence in the past few years of scores of new independent nations with widely varied backgrounds. In Africa a whole continent has come awake and for the first time has taken its place on the world stage. The vitality of these new countries, and their determination to play a significant part in world affairs, were demonstrated at the conference of the heads of some 32 independent African states held in Addis Ababa last May. At that meeting the charter of the organization for African unity was adopted, envisaging a new era of political and economic co-operation. At that gathering the African states also served notice of their impatience with the rate of progress toward the solution of the remaining colonial problems.

The Portuguese African territories in South Africa are the focal point of anti-colonial pressure. In the case of Portugal, the difficulty arises from its claim that its overseas territories are an integral part of metropolitan Portugal. The time is, in fact, long overdue for Portugal to give some sign that it recognizes the principles of self determination in its overseas territories. The Canadian government has made it clear that it cannot accept the theories on which Portugal's colonial policy is based. We welcome the reforms which Portugal has instituted during the past two years in its overseas territories. We hope that the Portuguese government will wisely take the further steps which alone can turn aside the criticisms to which it is now exposed.

It is harder to foresee any solution to the problem of race conflict in South Africa. The Canadian government can understand the fears of white South Africans about the possibility of being submerged and eventually forced out of their homeland. However, the Canadian government cannot understand South Africa's claim that apartheid is the only solution, and we deplore the use of harsh and repressive measures offensive to fundamental human rights which are used to carry out this policy. We derive no pleasure, and I am sure no one in this house derives any pleasure, from seeing our former sister nation of the commonwealth become an outcast amongst nations for its race policy. I repeat what I said at the United Nations, that we are prepared to help in any way possible to achieve a solution based on justice, but we cannot and we will not support one which is offensive to human dignity.

In Southern Rhodesia the race problem is not yet hardened along irrevocable lines. African leaders, including some commonwealth leaders, have pointed out that it would not be in keeping with normal commonwealth practice if Southern Rhodesia were given her independence under a government which is not broadly representative of its whole population. More time is needed to search out a solution in Southern Rhodesia which will avoid the heavy problems now facing South Africa.

Elsewhere in former British colonial territory the movement toward independence marches steadily forward. Malaysia came into being on September 16, embracing Sarawak and North Borneo. We in this house welcomed wholeheartedly the founding of Malaysia. We now regret, along with the British foreign secretary who spoke on this yesterday, the external difficulties which have attended the birth of a state which we are satisfied is destined to enhance the peace and stability of southeast Asia.

In the Caribbean we have watched with satisfaction the progress of Jamaica and Trinidad and Tobago since they achieved independence last year. They have provided reassuring models of stability in an area which has been otherwise turbulent. The Canadian government continues to follow closely constitutional developments in other islands and territories in that region, and as I have already announced, steps are being taken to improve and expand our aid arrangements for the region in the economic field. This was one of the subjects discussed at Hyannis Port between the late President of the United States and the present Prime Minister.

The nurturing of one of our other cornerstones of foreign policy, the commonwealth, is a basic feature of our external policies. In the past few years membership has been progressively enlarged until today it embraces 16 sovereign states. The majority now are in Asia and in Africa. It is because of the special insight which the commonwealth gives us into the new forces which have emerged in the post-war era that we most value this unique association of states. The commonwealth practice of continuing consultation among members on matters of

mutual concern is especially valuable in a world in which race and colour have too often tended to be divisive forces.

A second important group of newly emerging states meriting special attention from Canada are the 20 French speaking states of Africa, most of which are members of the French community. It is only natural that Canada, a bicultural state, should wish to contribute to the advancement of this important group of French speaking African countries as it does to the African members of the commonwealth. There is a natural link here that also prompts French African states to turn to Canada. Like all the countries of that continent, these states are faced with the enormous problems of education and economic and cultural development. It is our intention to increase the level and quality of our assistance to them in terms that are represented by the announcement I made a few days ago, the details of which are now being formulated into a plan, which will, I hope, be of increasing value in manifesting Canada's concern for these countries.

There is one subject with which I wish to deal briefly now, Mr. Chairman. The house is aware that for many years as a private member of this house I demonstrated my interest in the question of Canadian membership in the organization of American states, a development to which most Latin American countries attach considerable importance and to which I am sure a great many Canadians familiar with developments in Latin America will likewise attach much importance. This government is fully aware of the role that the organization of American states plays in hemispheric affairs. We are aware, too, that there has been a noticeable growth of interest on the part of Canadians in connection with developments in Latin America, with which many of our citizens have a cultural, religious and social affinity.

This is not a question which can be settled summarily. There are a great many factors which the government must take into consideration and which are being carefully weighed. To this end I have had discussions with the president of the council of the organization of American states, and I have had discussions with the president of the inter-American bank. We are watching carefully the discussions now going on within the organization concerning terms of membership, a matter of considerable importance as well to the commonwealth countries of the Caribbean which are showing increasing interest in participation. All these aspects of the question are now being actively reviewed.

**Mr. Diefenbaker:** Would the hon. gentleman allow a question? He used very significant words—"discussions are taking place regarding the terms". Does the Canadian government take the stand that the ordinary terms applicable to members of this organization should not apply to Canada?

[Mr. Martin (Essex East).]

**Mr. Martin (Essex East):** No, Mr. Chairman, I do not think I implied that. If I did, I had not intended to. At the present time there is a discussion as to the terms of membership of interested countries, and Canada is not one that has indicated an interest at the present time in joining the organization. If we reach that situation—I am not saying we will and I am not saying we will not—then will be the time to give consideration to the kind of question to which my right hon. friend has directed my attention.

There are many questions that I have not covered today but which undoubtedly will be discussed when the committee is set up: Membership in the Indo-China peace commissions; some of our current negotiations with the United States involving such questions as the law of the sea, on which negotiations will be resumed next Wednesday in Washington; discussions with regard to the Columbia river treaty project; our balance of payment problems. Indeed there are a whole series of questions concerning the two countries, as well as many questions concerning other countries and concerning our membership in various international bodies, but we will have an opportunity to deal with those at a later time.

A number of years ago a former secretary of state for external affairs, Right Hon. Louis St. Laurent, gave the following description of how Canada should pursue its international responsibilities:

> In her participation in international affairs Canada will, I hope, act with resolution, with responsibility, and also with restraint. We should not evade our international duties; but in discharging them we should not be influenced unduly by national pride and prejudice. I hope that in our foreign relations we can reconcile our first duty to our own people with our ulitmate obligations to the international community. In a frightened and suspicious world this is not always easy.

His prescription for Canadian conduct is as valid today as when it was first enunciated on April 29, 1948, and the world is only now beginning to be slightly less beset by fear and suspicion than it was then, when the expansionist and threatening behavior of international communism provided the impetus for the present western system of collective security, of which Canada is now an integral part.

The fundamental objective of Canadian policy was then, as it is now, to preserve peace and to seek a reduction in international tensions, whether those tensions arise from

the ideological conflict between east and west or from the upheavals which have been engendered by the surge toward independence and higher living standards of former colonial and underdeveloped peoples. In our pursuit of these objectives we aim to maintain a balanced, realistic and co-operative outlook on international affairs, avoiding excesses of optimism, pursuing policies commensurate with our capabilities, and ensuring that Canada speaks with a reasonable and constructive voice in international councils.

Sir, I have dealt at length with relations with the communist part of the world and with the less developed areas, because those are the dominant forces in contemporary international life, affecting directly the scope for Canadian initiative in international affairs. I have outlined what I believe to be some of the ways in which we can work toward a further relaxation of tension. But I do not wish to exaggerate the possibilities. We are far from the point where we can relax our vigilance. There is no evidence as yet that the decrease in international tension which has begun will prove so durable that the dismantling of our defences would be warranted. We must recognize that the collective security arrangements, which we have developed within the north Atlantic alliance, by their very effectiveness have been a major factor in bringing about the more hopeful atmosphere which prevails today. NATO, which embraces our major military efforts in both Europe and North America, remains one of the main cornerstones on which Canadian foreign policy rests and must rest, not only in our preparations to defend ourselves if the need to do so should be thrust upon us but also in our approach to an era of peace, if that should materialize; and on this question I think the latter is the more likely consequence and result.

It is important to recognize in this connection that NATO is not just a military alliance but an assembly of nations with common ideals and a high identity of purpose, in peace and in war. Since the competition between the communist and democratic worlds will certainly continue, even if war is abandoned by communism as an instrument of policy, all members of the western world will be faced with the same problems of how best to respond. Thanks to the habit of consultation which has been developed over the years, the organization today is well equipped to become a central forum for co-ordination of western policies in the more hopeful period that may lie ahead. The forthcoming ministerial meeting of NATO in December, which some of my colleagues and I will attend, will be of great importance in exchanging views and charting a common course.

That meeting will also be significant in another sense. As a consequence of the re-emergence of Europe as a major world power centre, certain changes in relationships are taking place within the alliance. This development is itself in large measure the product of enlightened policies consistently pursued through the post-war period. It is inconceivable to me that in the moment of success of policies so deliberately pursued, there should be a fear to accept the consequential change in trans-Atlantic relationship that inevitably had to ensue.

There is no cause for concern in the evolutionary process taking place in the west. To be sure, certain problems have been introduced into the relationship within the western family of nations, but I stress that these problems can and will be resolved without undermining the fundamental cohesion of the western alliance, and certainly without harmful consequences to any outside nation.

So, sir, I conclude this statement on Canadian foreign policy as I see it at the present time, a policy that is predicated upon certain constants, membership in the commonwealth, membership in the United Nations, membership in NATO, our traditional and cultural affinity with France, one of the great and strong nations of the world and one of the strong powers in Europe today. I dedicate the efforts of this government anew to the twin objectives of promoting the Atlantic partnership while working unremittingly for international peace and stability.

**Mr. Diefenbaker:** Mr. Chairman, my first words must be of congratulation to the Secretary of State for External Affairs for the manner in which he has dealt in a general way with the problems facing Canada internationally. He has an amplitude and felicity of phrase that makes it difficult on occasion to follow his exact meaning, but I will say that the views he has expressed today, and in particular the general summation he has made, will cause no serious division as between those in the government and those in opposition. However, that does not mean I feel he has covered the subject as recent events would have demanded.

When he dealt with the question of the recognition of China I thought he was going to make a profound declaration, but by the time he had completed his remarks in that connection he had gone no further than the government of which he was a member seven or eight years ago. He did, however, deal with the question of the problem that has to be faced. I am not applying this in any way to the question of the recognition of China; I realize the difficulties inherent in so doing. I believe that the free world made a mistake 12 years ago, when it was purely a legalistic

matter and when recognition would not have carried the connotations that it does today. Recognition, regardless of one's agreement with the government that holds office in any particular state, follows when certain matters are answered affirmatively. One has only to take the recent example of the recognition of the revolutionary government of South Viet Nam to understand that, whether countries agree or disagree with an administration, when under ordinary circumstances that administration will hold office for a period of time and has a degree of permanence about it, recognition takes place. But with the passing years—and I have found this everywhere in regard to Asia—today recognition of China would seem to carry with it the approval of communism as practised in that country. If I could use a homely illustration, all of us recognize the Secretary of State for External Affairs; but that recognition does not carry with it full approval of the things that he stands for.

The Secretary of State for External Affairs said that he desired to secure reasonable unanimity of opinion in the house and hoped we would be as non-partisan as possible. I intend to follow his suggestion in that connection and be as non-partisan as he was when he occupied the position of critic on external affairs during the days of the former administration. I would immediately point out the fact that I am glad to find the reputation of Canada internationally is so widely accepted. I was of those who argued at all times that this has always been Canada's reputation; but I recall that in 1963 in the month of January the hon. gentleman at that time had grave doubts as to Canada's international position. He spoke of the downgrading of Canada that had taken place. I would like to point out in this connection the fact that one who has recently received recognition from the Prime Minister, Mr. John W. Holmes, who was described by the Prime Minister as a wise Canadian commentator on U.S.-Canadian relations, made a statement in the *International Journal* regarding Canada's international position in which he said:

> At the end of the second war, Canada emerged as the third strongest of the western powers and assumed in international organizations a position of influence not far behind that of the minor great powers. During the decade and a half since that time, Canada's population and resources continued to grow, but its relative position in the world fell off considerably.

That, from a man who was in the civil service in a high position during the days the former government was in office, indicates that whatever may have been the change in Canada's external prestige, it continued for a period of approximately 18 years subsequent to the war. As I listened to the Secretary of State for External Affairs today referring to what has been achieved in the field of international relations, including the test ban treaty, the hopes expressed regarding disarmament and the steps being taken, I was reminded of the fact that when the then secretary of state for external affairs, the Hon. Howard Green, pressed strongly for these forward steps there were those who now sit opposite who ridiculed what he was doing and alleged that what he was doing was in fact the result of a naïve lack of understanding of processes of international negotiations. Even the Secretary of State for External Affairs used these words in January last:

> I simply say to the minister, it is one thing to work hard but it is another thing to work wisely in this field. I do not think it possible to work wisely unless we take into account the existing fundamental differences in ideology that prevail between the Soviet union and the free world, the existence of major political problems that divide east and west.

He also indicated there was altogether too much optimism on the part of Mr. Green in expressing the view that it would not be long before we would have achieved an international test ban agreement, now referred to in such fulsome and responsible terms by the Secretary of State for External Affairs.

Then the hon. gentleman referred to what had been achieved in relation to outer space. That brought back memories. It was in 1957 that I had the honour to bring this particular matter before the United Nations, setting out in detail a course of action to assure that outer space would not be used by the nations for purposes other than those of peace. Mr. Green pursued that course throughout the period during which he held the responsibility of office, and an agreement has now been achieved. Then the hon. gentleman mentioned another matter—the provision of help to nations which lack most of the economic opportunities which we have in Canada. One of the things we advocated throughout the years was the establishment of a food bank. That proposal met with derision. However, with the passing of the years it has become accepted as a basic principle of one of the agencies of the United Nations.

Then the hon. gentleman spoke of how trade could be a solvent of the difficulties between nations. He said the present government intended to continue the policy which was carried out, after much criticism, of selling non-strategic commodities to communist nations. I remember the hon. gentleman at that time—and I just recall this—making a statement about the selling of wheat to communist China on credit, to the effect that we sold on

credit to our enemies but that we sold on a cash basis to our friends. These are changes—

**Mr. Martin (Essex East):** I am sure the right hon. gentleman must be in error and I would be grateful if he would quote the statement he now attributes to me in that context.

**Mr. Diefenbaker:** I do not have it before me, but I have a perfect recollection of its being said. I am complimenting the hon. gentleman. He should not take umbrage. There has been a change of opinion in this regard.

Then there was mention of the need for preserving within the commonwealth the principle of the acceptance of a colour-blind commonwealth. This was the stand we took before the commonwealth prime ministers conference. This was the stand which was so strongly criticized both in this house and outside it. We took the position firmly and definitely that within a commonwealth increasingly comprising people of so many races and colours no other principle would be acceptable. We asked South Africa to change its apartheid rules even to a slight degree. We asked South Africa to give its 12 million coloured people and negroes, three representatives in the parliament of their country so that they would have the opportunity of presenting their views. That was denied. We did not ask South Africa to leave the commonwealth. That was a decision of the prime minister and of the foreign minister of that country at the conference in 1961. What we asked was that they recognize the fact that, wherever discrimination is practised, there are the incipient beginnings and incubation of communism and its acceptance.

Today, the idea of a colour-blind commonwealth is acceptable, though two years ago, when the government of which I had the honour to be prime minister advocated this principle, we were criticized for dismembering the commonwealth. It could not have survived without that principle. The Secretary of State for External Affairs mentioned that there are 16 members today. When I first became prime minister, I think the number was nine. If we ever allowed ourselves the luxury of a vote to determine any matter in the prime ministers conference, that would be the end of the conference and, ultimately, of the commonwealth.

My own view was: let us look to the future; let us recognize that everywhere in the world the spirit of freedom has been aroused in all the races of man; do not let us say, with five out of six of the individuals in the commonwealth belonging to coloured races, that the principle of non-discrimination should be denied. We did not say that, in the heart, there might not be discrimination; but we said that when discrimination is an integral part of the policy of any of the nations, such a policy was inconsistent with the principles of the commonwealth and with the maintenance of peace within the commonwealth.

The minister referred to the decision of the government to expand the assistance planned for those who live in countries which were formerly French colonies. That was the stand we took. We believe in the bicultural relationship of our country and determined on a course of action in that regard. What is now being done is to extend the amount on the basis of a principle which we adopted.

I do not bring these matters to the attention of the house for the purpose of referring to the past, except as the past shows us a course for the future. It is much harder to speak from this side of the house on the subject of foreign affairs than it is from the government side. The Prime Minister (Mr. Pearson) and the Secretary of State for External Affairs (Mr. Martin) have access to information far and beyond anything which is available to other members. And that is proper. We do not know the facts as the government knows them. A committee has been set up to look into the whole field of foreign affairs. I hope there will be full discussion in that committee. Today, when I asked the Secretary of State for External Affairs two or three questions he was frank in his answers and if the same attitude is adopted in the committee it will be most beneficial. He mentioned the new spirit of Moscow had considerably changed since August, when the badminton game was played in the Crimea. There have been abrupt, even ominous changes. Why these changes have been made, we do not know. It may be Chairman Khrushchev is trying to place responsibility for his national and internal problems on the west. It may be that his agricultural policy having failed, he must find a scapegoat in other parts of the world.

It may be he is endeavouring to bring about closer relations with communist China, although certainly those relations today, if interpreted on the basis of what is being said, are far from as agreeable as one might expect between two great communist states. However, Khrushchev made this statement the other day, and I think it is in keeping with what the Secretary of State for External Affairs has said:

> We do have disputes and differences with the Chinese comrades but our main difference is that with capitalism. Although there are differences between us and our Chinese brothers we stand together on the main issue. We are against capitalism...We are for socialism and communism. We have one path, that of our common struggle against capitalism, for the victory of communism throughout the world.

That statement by Khrushchev emphasizes the warning given by the secretary of state.

The period of good will during negotiations for and immediately after the signing of the test ban treaty had been followed by renewed polemics against the west. With regard to the division between red China and the U.S.S.R. —this is only one view and may not be accepted—I point out that this division first became apparent to the outside world after we in Canada did that which the U.S.S.R. could not do, and that was supply communist China with wheat to relieve famine and starvation. The U.S.S.R. refused that. The previous government entered into an agreement in that connection. All I can say is that the cleavages between those two nations were intensified following the delivery by Canada of the first shipments of wheat. What the future will bring in the relations between communism and the western world no one knows, but certainly the events of the last few weeks have been anything but hopeful. The detour of smiles of a few months ago has now had a change, and the highway seems to be one fraught with great difficulties.

The minister mentioned the organization of American states. I am surprised that he did not go further than he did, but as I said a moment ago the responsibilities of office and the knowledge that comes therefrom often brings about a change in thinking. I want to point out what he said only a few months ago, in January of 1963, which was a repetition of what the Prime Minister had also been saying. As reported at page 3078 of *Hansard* he said:

> Do we have over-all planning and co-ordination of effort in the government at the present time which gives its total attention to a particular problem in external relations and is continually casting its eye up and down the radar screen looking for problems in areas where Canada can exert an influence?

Then he pointed out one of those places in which the influence could be exerted, and that was in the organization of American states. These are his words, which he uttered as far back as September 7, 1961, as reported on page 8067 of *Hansard* for that year:

> We were told by the Prime Minister some months ago that this house would be given the opportunity of expressing its view with regard to the desirability of Canadian membership in the organization of American states. I express once again my own strong personal view that the time has come when Canada must accept its responsibility in this organization.

Then the present Prime Minister, in September 1961, mentioned the necessity of giving the United States advice of the kind that we did, and rightly, during the Cuban mix-up. He said that if we were to interest ourselves in these developments, then we have to take our responsibility in the organization which is concerned with these matters, namely the organization of American states.

Then on January 24, 1963, the present Secretary of State for External Affairs said, as reported on page 3073 of *Hansard*:

> —it seems to me that the time was never more urgent for us to accept the long-standing indication of every member of the organization of American states and to join this organization.

I wonder what has happened? Why the change of viewpoint. I also point out—

**Mr. Martin (Essex East):** I know my hon. friend wants to be very objective today, but I am sure he will agree that nothing I have said this afternoon would warrant the conclusion that there has been any change of personal view.

**Mr. Diefenbaker:** Mr. Chairman, that is an example of the turning of words. A year ago he said "now". Today he says "maybe tomorrow". I dislike bringing these things up, but I could go on with quite a number of other quotations in this connection. He also said this, as reported on page 3074:

> —it seems to me the Cuban crisis highlighted once again the need for Canada to take part in the organization of American states.

Then he goes on to point out the need for joining the organization; but today, with the sophistication that comes with knowledge, he is not so certain as he was. Does he suggest that he is? I do not think so, because this is a problem of great difficulty. It is so easy to solve it when on the opposition side, but it is a different thing when one sits over there and has the responsibility. We considered this matter and looked into it very carefully, but decided that we should expand the number of our trade missions and the number of our diplomatic posts in South America. I visited Central America two years ago and wherever I went there was a widespread suggestion that we should join. I asked what the reasons were and the answer given was: "So that we will have you with us to stand up to the United States". Is the government today finding out that the happy euphoria that they showed to the organization of American states for five years has been dissipated in the light of experience? These are questions which will be asked when we are considering the items in committee.

**The Chairman:** Order. In order to permit the house to proceed with the consideration of private members' business, it is my duty to leave the chair.

**Mr. Deputy Speaker:** When the Secretary of State for External Affairs was introducing his estimates in committee of supply he stated he wished to table copies of the treaty

banning nuclear weapons tests. Is it agreed that the said document now be tabled?

**Some hon. Members:** Agreed.

**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.

## MOTIONS FOR PAPERS

### CORRESPONDENCE WITH U.S. RESPECTING UNION TRUSTEESHIP

On the order: Notices of motions (papers):

October 31—Resuming debate on the proposed motion of Mr. Martineau: That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July, 1963.

[*Translation*]

**Hon. Paul Martineau (Pontiac-Temiscamingue):** Mr. Speaker, the Secretary of State for External Affairs (Mr. Martin) has asked me if I would agree to this motion being postponed. I gladly comply with that request provided that the motion would not lose its priority on the order paper.

[*Text*]

**Mr. Deputy Speaker:** Agreed?

**Some hon. Members:** Agreed.

### CORRESPONDENCE BETWEEN R.C.M.P. AND ALERT SERVICE

**Mr. D. M. Fisher (Port Arthur)** moved:

That an order of the house be issued for a copy of all correspondence between the R.C.M.P. commissioner's office or that of the "I" directorate office and the Alert Service (Marjorie Lamb, P.O. Box 173, Station "Q", Toronto, Ontario), since June 1, 1961.

He said: Mr. Speaker, the Minister of Justice indicated that the government is not prepared to provide me with the information requested under this notice and I want to present the argument in support of providing the information. I think the best place for me to start is by reading the description of the Alert Service as put out by that organization. I therefore read this paper which is headed, "The Alert Service, 1047 Yonge street, Toronto 5, Canada, Marjorie Lamb, Founder and Director". Under "function" it says:

The function of the Alert Service is to keep Canadians accurately and constantly informed about the policies and operations of communism, and to devise and encourage sound methods of combating communist above ground operations in Canada.



Under the heading "history" it says:

The Alert Service was started in 1950 upon the request of Canadians for authenticated information on communist activity in Canada. Since then it has evolved into a nationally and internationally recognized information and counselling service helping Canadians to equip themselves to meet the propaganda and infiltration efforts of the communists.

Under the heading "financing" it says:

The maintenance and expansion of the Alert Service work have been and continue to be made possible by the voluntary contributions of Canadians. The funds are held in trust and the books are subject to audit. Donations make possible the distribution of literature and information so necessary to meet and overcome the communist threat to freedom.

This is dated January, 1963. I should like to quote from another publication of Alert Service, also with the same heading, in which it says:

Communism and you. Your personal responsibility in frustrating communist activity. Because the avowed objective of the communist party, no matter what they happen to be saying at the moment, is the overthrow of our system of government, the operations of the communists in Canada is the professional concern of the Royal Canadian Mounted Police, which is the law enforcement agency charged with national security. It is their job to know what the communists are doing. Therefore they are glad to receive any information concerning communist activity. In dealing with any infringement of Canadian laws such as sabotage and sedition they act against communists as against any other lawbreakers. It is important for every Canadian to know that under existing regulations it is not the function of the Royal Canadian Mounted Police to distribute information concerning communists or communist activity. In the area of communist infiltration of ideas and psychological warfare, at a time when we are not at war with another country, their job is not to act but to watch and know. They do not, for example, take action against communists who are attempting to infiltrate into trade unions, churches or voluntary organizations or to run for government office. To see that the communists do not obtain their objectives in these areas is the voluntary job of every loyal Canadian.

I think that makes it fairly clear what the objects of the Alert Service happen to be. It is a voluntary service supported, I gather, by voluntary contributions. It is an organization that is 13 years old and it is out to get Canadians to help, in a voluntary way, to understand and to fight the communist menace in Canada in its above board aspects. From its own propaganda apparently it is also an agency that encourages co-operation with the Royal Canadian Mounted Police, and implicit in what it says, of course, is the suggestion that any citizens who have any information or suspicions should let the R.C.M.P. know about them.

I want to put on the record a question I asked last year. It was question No. 1,288

*Alert Service Correspondence with R.C.M.P.*

and it was answered on January 30, 1963, as found on page 3253 of *Hansard*. The question was as follows:

Has the R.C.M.P. any knowledge of the objectives of the Alert Service, P.O. Box 173, Station Q, Toronto, and, if so, has the R.C.M.P. co-operated in any way with the service, either with advice or funds?

This was the answer:

The R.C.M.P. has knowledge of the objectives of the Alert Service and has co-operated with this service as it does with any reputable news media. It has not co-operated with funds.

In other words, this is an acknowledgment that the R.C.M.P. knows about the Alert Service, that it has co-operated with it and that it considers it is a reputable news medium. This is an important point in my argument that I should have given to me the information I have requested.

I should like to turn to another publication of the Alert Service to indicate the scope of its operations. This publication is dated August 1, 1963 and at the top it has the words "Replacing all previous lists". The heading is "Some Organizations and Publications in Canada Which Follow the Communist Line". The organizations are as follows: Communist party of Canada; young communist league of Canada; congress of Canadian women; Canadian peace congress; B.C. peace council; Edmonton peace council; Manitoba peace council; Toronto association for peace; Canada-U.S.S.R. association; Canadian-Chinese friendship society; league for democratic rights; workers' benevolent association; youth friendship league; association of Carpatho Russian Canadians; association of united Ukrainian Canadians; Bulgarian Canadian peoples league; Canadian council of national groups; Canadian language press club; Canadian Slav committee; Chinese Canadian welfare association, Toronto; Chinese youth association, Vancouver; cultural recreational association of Chinese Canadian youth, Edmonton; east wind association, Montreal; federation of Russian Canadians; federation of Yugoslav Canadians; Finnish organization of Canada; independent mutual benefit federation; Kossuth sick benefit society; Lithuanian literary society; Macedonian Canadian peoples league; maple leaf mutual; Polish-Canadian mutual benefit society; Polish Canadian thousand year committee; Polish democratic association; Russian Canadian youth organization; Slovak benefit society; sons and daughters of the Canadian Lithuanian mutual benefit society.

Then, there are these publications:

The Marxist Quarterly
World Marxist Review
Canadian Tribune
Combat
Pacific Tribune

[Mr. Fisher.]

Advance
C.C.W. Newsletter
Canadian Far Eastern Newsletter
Peace Letter
Peace Newsletter
Northern Neighbours
Az Uttora—"The Pioneer"
Da Zhong Bao—"The Popular Newspaper" (Chinese)
Druzhba—"Friendship" (Bulgarian)
The East Wind (Chinese)
Forward—bulletin of the youth branch of A.U.U.C.
Horizons—English language supplement to the "Ludove Zvesti"
Jedinstvo—"Unity" (Yugoslav)
Kandai Magyar Munkas—"Canadian Hungarian Worker"
Karpatska Rus—"Carpatho-Russian"
Kronika Tygodniowa—"Weekly Chronicle" (Polish)
Liaudies Balsas—"Peoples Voice" (Lithuanian)
Liekki—"The Flame" (Finnish)—supplement to Vapaus
Ludove Zvesti—"Peoples News" (Slovak)
Ukrainian Canadian
Ukrainske Slovo—"Ukrainian Word"
Ukrainske Zhitya—"Ukrainian Life"
Vapaus—"Liberty" (Finnish)
Vestnik—"Herald" (Russian)
Vochenblatt (Canadian Jewish Weekly)
Week End News (Chinese)

In addition the Alert Service on this same date came forward with a list of communist front organizations in Canada that worked closely with their parent international organizations. These international front organizations are listed as follows:

Women's International Democratic Federation
World Federation of Democratic Youth
World Council of Peace
International Institute for Peace
World Federation of Trade Unions

The affiliates in Canada are listed as follows:

Congress of Canadian Women
Young Communist League
Canadian Peace Congress
B.C. Peace Council
Edmonton Peace Council
Manitoba Peace Council
Toronto Association for Peace

Then, this publication reads as follows:

While official affiliation may not be formally acknowledged, some unions in Canada undoubtedly come within the orbit of influence of the World Federation of Trade Unions. The following unions are considered to be under communist dominated leadership.

International union of mine, mill and smelter workers; united electrical, radio and machine workers of America; Canadian textile council; united fisherman and allied workers' union; marine and boiler makers' union; Vancouver outside civic workers union.

Then, there is a list of some other communist international front organizations, and they are as follows:

International association of democratic lawyers; international organization of journalists; international radio and television organization; international union of students; world federation of teachers unions; world federation of scientific workers; Afro-Asian people's solidarity organization.

Now, Mr. Chairman, I wanted to get those lists on the record because that goes to the nub of what I am trying to find out about the communications and relationships which the Royal Canadian Mounted Police have acknowledged. The Royal Canadian Mounted Police say this is a reputable publishing organization—that is, the Alert Service. I am not making any judgment on whether or not it is. This is the kind of thing that the Alert Service publishes. The Royal Canadian Mounted Police have acknowledged they cooperate with this service.

I should like now, Mr. Chairman, to cite one quotation from a publication, *The Canadian Intelligence Service*, published at Flesherton, Ontario. This is volume 11, No. 11, dated November 16, and on page 4 I find the following quotation:

> Deputy R.C.M.P. Commissioner George B. McClelland (head of the security and intelligence branch) recently stated publicly that:
>
> The international union of mine, mill and smelter workers has for years been controlled for reds and red sympathizers; and that this is the basis of the present struggle at the great International Nickel mines in Sudbury, where anti-communist workers have gained control of their own local 598.
>
> Not enough is known about what is going on in mine-mill and there is too little public support for men "trying to lift the yoke off their backs."
>
> "At no time in history has it been so essential for every free man to recognize the face of the enemy when he sees it."

There is an example where the head of the security branch, if this report is correct, has identified one of these communist controlled organizations that is listed in the Alert Service.

I should like now to turn to a discussion that took place in this house in 1959, and to read some quotations containing questions that I asked and the responses that were made by the then minister of justice, Mr. Fulton, as well as some interjections that were made by the hon. member for Bonavista-Twillingate and the hon. gentleman who is now the Prime Minister. One of the things I was trying to find out from the minister at the time was the relationship to security, and the procedure of keeping the files, or who determined what was a subversive organization and what kind of control was kept. My argument was that the people of Canada were entitled to know what these so-called subversive organizations may be, if they operated in a public manner, in order that Canadian citizens could protect themselves from association with them. My point was that some of these organizations are active in the field of athletics, drama and so on, and they draw people into them who take part and may even be members. If these organizations are considered as subversive, these people may find later that they are listed as members of subversive organizations and there may be information on Royal Canadian Mounted Police files against them.

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Now, I should like to quote from page 5145 of *Hansard*, for June 25, 1959.

> Mr. Fulton: Mr. Chairman, it is the duty of the force to make a report to the government or department of the government in every case where we are called upon to give information. As I say, we do not attempt to influence the decision of the department as to the judgment it may come to on the basis of the facts we may report. If we are asked to report on an individual and we have a file on that individual, then as I conceive it it is the duty of the police to make the report available; but I know on the basis of my experience, from discussions with my colleagues and in another capacity in another department, that my officials and I myself feel free to exercise a judgment and that judgment will be influenced in all cases—

Then, he goes on into the details of what is considered subversive. This is the point where I came back and asked him this:

> Give us an idea of some kinds of organizations that are subversive. I am sure that a great many people in the lakehead region would have nothing to do with the Finnish organization of Canada if they were perfectly clear in their minds that the government considered it subversive. Where are the definitions in this field?

Then, the hon. member for Bonavista-Twillingate intervened as follows:

> Before the minister answers I should like to put a question to him supplementary to that asked by the hon. member for Port Arthur, and then the minister can perhaps answer both at once. I think the minister has rather left the impression from his answers that the information gathered by the police is given in the raw or crude form to other government departments.

There is a reply from Mr. Fulton on that, and then the hon. member for Bonavista-Twillingate comes back as follows:

> I do not think the minister has answered the question I asked. Probably it is because I asked it clumsily. This information about an individual is not necessarily all gathered by one constable,... It is a statement which is obviously, in many cases, a composite of various bits of information.
>
> I thought that would help the hon. member for Port Arthur. I think he has a very legitimate question here which is in the minds of many people. I know many people came to me when I was minister of citizenship and immigration about the very kind of thing the hon. member is talking about. I think the public might be very much reassured if we were told, not how the police made an evaluation as such, but how they assess the information—

Then, Mr. Fulton comes back in an interchange to point out the kind of precautions that are taken and he gets into a discussion with the hon. member for Bonavista-Twillingate that leads to this:

> As to the suggestion that we should name and list the organizations which have a record or an indication that they are undesirable, from a specific point of view this would be the most self-defeating policy or practice I could imagine. Practically every piece of information that was known to the police would immediately have to be made public; the extent of police knowledge would be made public, and the value and effectiveness of the

work would be immediately almost completely negated. Efforts would have to be recommended from the beginning to build up a file of information, a body of information, which is now available.

Indeed, if we started naming names and naming organizations we would lose, I would think, at least 80 per cent if not more of the sources of information we now have.

Mr. Pickersgill: Is that really correct in the case of an organization like this Finnish organization? It is common knowledge that there are a certain number of communist front organizations in this country, particularly appealing to some people who have come to this country fairly recently. I do not believe there is any doubt but that, as the hon. member for Port Arthur has said, a good many people get inveigled innocently into these organizations. There may be some secret organizations that the minister and the police would not want to reveal, but in the case of organizations that conduct their activities in public it does seem to me that there is a point the government ought to consider. I do not refer to the minister because the minister is quite right when he says this is a matter for the security panel and for the government, not for the R.C.M.P.

Mr. Fulton came back in reply saying:

—I wish to point out that at no time, certainly since I have been minister and at no time prior to that of which I am aware, have the R.C.M.P. ever identified any organization as being a subversive organization. I should like to make it clear here that I am not accepting what my hon. friend says he was told—

Then he goes on to kill a few of the arguments which I made and which the hon. member for Bonavista-Twillingate made. Later on, the man who is now Prime Minister commented in this same debate:

I think he—

That is Mr. Fulton.

—was right, of course, when he defended the practice of not making public lists of subversive organizations, which is perhaps not quite the same as lists of communists or communist front organizations which are known to be such. That is in contrast, of course, to the practice—and I think it is a good contrast—across the border where they do have their blacklists or lists of subversive organizations, and where I suspect they have lists of Canadian organizations which they consider to be subversive and perhaps a list of members of those organizations.

Now, Mr. Speaker, the former minister of justice underlined the fact that the practice has been that the R.C.M.P. does not publish and does not give information on what are communist front organizations and what are subversive organizations, but it is acknowledged that it has co-operated with this particular organization, the Alert Service, which it says is reputable. My conclusion is that the Alert Service, if it is reputable, as the R.C.M.P. claim, got this information from the R.C.M.P. It does not say so, but this is the conclusion I draw.

In the judgment of the R.C.M.P. this is a reputable publishing organization. It publishes this list, and keeps it up to date, of communist front organizations, and including the various unions in Canada that are sympathetic.

I am willing to withdraw this motion if the parliamentary secretary to the minister will give me an assurance that the R.C.M.P. has never communicated to this organization this particular list that I have read, or a facsimile of it, from which the Alert Service drew this, or if he will give me an assurance that there has been no communication of any kind, or anything of this kind, by the R.C.M.P. with the Alert Service. But if, as I have strong suspicions, it is true—and I feel certain the R.C.M.P. intelligence and security director has communicated with this publishing service, which is considered reputable—and if the R.C.M.P. has provided it with this particular list, I want to see the communications and I want to know why, because we have it on the record that the R.C.M.P. is against this.

In substance, Mr. Speaker, that is my case. So far as the statement is concerned where Mr. McClelland identified the mine, mill and smelters workers' union as a communist organization, I would also like an explanation of that, but I can find it in another way and on another occasion.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I would like to refer first to the closing remarks of the hon. member for Port Arthur (Mr. Fisher), particularly with regard to his undertaking to withdraw this particular motion if I would give him an assurance that the list in question, the one he read, the one that was published in the Alert Service, was not furnished to the publisher of the Alert Service by the R.C.M.P. I would have to say I have not actually seen the correspondence which we have here in question, and therefore I am not able of my own knowledge to state whether or not that was the case.

However, I have discussed this matter with the commissioner of the R.C.M.P., the gentleman who, at the time referred to, was responsible for security within the R.C.M.P., and from my conversations with him it is my understanding that information of the kind referred to by the hon. gentleman was not furnished to the Alert Service by the R.C.M.P. A more fundamental question, which I think is underlying the debate on this particular motion, is one as to whether or not in the proceedings of this house it would be desirable to compel the R.C.M.P. to disclose to members, on notices of motions for the production of papers, correspondence which it has with any individual, with any group of individuals, with any corporation or otherwise—the question of whether or not, in

the great volume of correspondence which the R.C.M.P. receives as a police force, it would be desirable to compel the force to put on the public record of the house its files, by way of private members' notices of motion. I would rather prefer to address myself—

**Mr. Fisher:** Could I ask the parliamentary secretary a question? Before he gets down to this basic principle, will he note the fact that the R.C.M.P. has indicated that this is a reputable news media? Surely that does make a distinction or difference between the communications with private organizations and individuals, or between police forces, or within the police themselves? I would like to suggest that this is an indication of a communication between the R.C.M.P. and a news media, in other words, the same as with any other publisher, and I think this does make a distinction that the parliamentary secretary may be missing. I would like him to comment on that.

**Mr. Macdonald:** I would say not. I would say the principle applies, whatever the nature of the communication from any person. I would prefer to go on and address my remarks to this particular question, that whatever the source, whatever its pedigree in the mind of the hon. member or in the mind of anyone else, whatever the nature of the type of communication, I would submit to the house that in so far as it relates to the police work of the R.C.M.P. it would not be desirable to put on the public record, or create a precedent of putting on the record, the kind of information which might be enclosed in correspondence from any body, whether reputable or having a lack of reputation, and whether it has to do with the reputation or otherwise of a particular organization.

**Mr. Fisher:** Could I ask the parliamentary secretary another question? Is this on the basis that it is a police organization, or is it on the basis that it is a government agency?

**Mr. Macdonald:** Mr. Speaker, I put it in this connection exclusively on the basis it is a police organization, and it is a type of government agency with particular characteristics which make it undesirable for correspondence, albeit departmental correspondence, to be made available in this public way.

The function of the R.C.M.P. is set out and can be found by hon. members in chapter 241 of the revised statutes. Its general functions are well understood—the duties of preserving the peace, of preventing crime, preventing violence and offence against the laws of Canada, and also apprehending offenders against those laws. In the job of carrying out its particular function the R.C.M.P.—as indeed with all police forces—must have access to all possible information which can be legitimately obtained, or which may be proffered to it, for the purpose of informing itself in connection with its particular duties. I would say this is so whether it is a matter of investigating a particular offence, investigating conduct in a particular case that may be felt to create a particular offence, or conduct in general which may give the police the opportunity of evaluating whether or not further investigations are required which may form an additional fragment going into, as the hon. member said, the composite picture of the situation, or general background information which could facilitate the Royal Canadian Mounted Police in the course of carrying out the duties to which I have referred.

**Mr. Fairweather:** Mr. Speaker, could I interrupt the hon. member at this point? It might be helpful to us. Does the hon. member think the Royal Canadian Mounted Police should comment on the reputation or otherwise of an organization like the strange one that is the subject matter of the motion of the hon. member for Port Arthur (Mr. Fisher)?

**Mr. Macdonald:** I would say to the hon. member for Royal (Mr. Fairweather) that my personal opinion would be that they should not, and I can only say that this particular response was given at a time when the hon. gentlemen who now form the government were not responsible for giving—

**Mr. Fisher:** On that point, Mr. Speaker, surely the parliamentary secretary is not suggesting that this is not a direct answer from the Royal Canadian Mounted Police? He is surely not introducing the response of the former government? The answer is that the R.C.M.P. has knowledge of the objectives of the Alert Service and has co-operated with this service, as it does with any reputable news media. In other words, the relationship I am interested in is that between the Royal Canadian Mounted Police and a reputable news media.

**Mr. Macdonald:** Mr. Speaker, this really gets into the question of the underlying basis for the answers given in the house. I am suggesting this is the responsibility of the government. The government is generally responsible, as members of the hon. member's party have pointed out from time to time, for the activities of the Royal Canadian Mounted Police. If the particular activity happens to be that of giving an answer to a question in this house, I suggest there is a responsibility in the government.

**Mr. Fisher:** The hon. member is not doubting the accuracy of this reply?

**Mr. Macdonald:** I am not raising that question at all; I am merely replying to the question raised by my hon. friend from Royal. I would point out that to allow this particular motion to pass, and to recognize the right of an hon. member to compel the government, on behalf of the Royal Canadian Mounted Police, to disclose the particular correspondence which it may have with an individual, or further information that may come to it from whatever source—whatever the nature of that source, as I said before—would inhibit the police in carrying out their obligations.

I would like to refer more particularly to that matter. I think the first and most obvious reason why this should not be done is that if it became public knowledge—and it soon would—that information of this kind could be compelled to be produced in this chamber, such information might very well be cut off from sources anonymous, and from named people who write, thinking they are dealing in confidence with the R.C.M.P. Then the general conclusion would have to be that the information could not be supplied to the R.C.M.P. in this way. This very valuable source of information in carrying out their duties would be cut off.

**Mr. Fisher:** Mr. Speaker, I hate to interrupt the hon. member, but I ask him another question. He is not assuming I am interested in the information that comes from the Alert Service to the Royal Canadian Mounted Police, is he? If he is, I would like to make it very clear to him that my intention is to get the information that has gone from the Royal Canadian Mounted Police to the Alert Service; that is all. I do not care what came back from the Alert Service; I want to know whether the Royal Canadian Mounted Police gave anything to the Alert Service. So there is no question, really, of there being interference with the information that may be coming to the R.C.M.P.

**Mr. Macdonald:** I would not accept the distinction which the hon. member is trying to draw. He says, "I only want one side of the correspondence". I would submit, Mr. Speaker, that while this would perhaps not be as revealing as submitting all the correspondence, it certainly would have the inhibiting effect to which I referred earlier. If one were to make available by way of notice of motion for the production of papers particular information which might be referred to in correspondence coming back from the force to the particular individual, it would be entirely possible for as much damage to be done as if the whole correspondence was revealed.

I would point out that it has been established for a long time in this house that correspondence or proceedings of the Royal Canadian Mounted Police in connection with investigations—and investigations in this case would include particular investigations and correspondence they might have in their general investigative function—are privileged and should not be revealed either in answer to questions or in response to notices of motions for the production of papers.

I would refer the house to a number of citations in *Hansard* where this question has been raised and the privilege has been recognized. In 1939, in *Hansard* at page 1669, the Hon. Ernest Lapointe, the then minister of justice, revealed that certain charges which had been made had been further investigated, but he refused to disclose any further information as to the nature of those investigations or what was revealed, in view of the fact that it would be contrary to the public interest to do so. If I might, Mr. Speaker, I would refer particularly to a statement made in this house by the former minister of justice, the former hon. member for Kamloops who was replying to a colleague of the hon. member for Port Arthur (Mr. Fisher), namely the hon. member for Skeena (Mr. Howard). This will be found in *Hansard* for July 8, 1958, at page 2047. The question raised by the hon. member was as follows:

> Does the R.C.M.P. maintain any files or dossiers on members of parliament?

The second part of the question was:

> If so, upon which members of the present parliament are such files or dossiers maintained?

The reply of the minister of justice at that time was as follows:

> All Royal Canadian Mounted Police files on individuals are confidential and many are secret. One of the primary duties of all those responsible for such files is to respect and preserve the confidential or secret nature of their contents.
>
> It will be appreciated also that a large number of such files are started by reports, statements or knowledge of activities coming to the attention of responsible members of the police which they are bound to investigate in the course of their duties. The follow-up on such reports in many cases reveals no necessity for further action, yet there is still a file. This means that many files will be in existence under the names of individuals against whom there is nothing of a substantial, let alone a criminal, nature.

I would point out that what the former minister of justice said on that occasion applied directly to the contents of those files, namely the correspondence both to and from the R.C.M.P., which may have related to allegations about individuals, allegations about organizations, or information generally which may have been of assistance to the police in their investigative activities. The minister of justice at that time pointed out a second and, I would submit, substantial reason why information of this kind could not be made available in the house on notices

of motions for the production of papers. He referred to the fact that particular individuals, perfectly innocent individuals, may well be prejudiced by putting on the public record correspondence to and from the Royal Canadian Mounted Police relating to them. We could even reach the point where statements about a particular individual, as one assumes happens very often, which are sent to the R.C.M.P. with malicious intent, are made public, and the individual may be entirely innocent of the charge or the allegation that is made. Subsequent investigation, as the minister pointed out in that particular case, may well indicate that there is no substance at all in the rumour. But if the production of that correspondence had been compelled in the house, we would have the situation where the individual would be prejudiced by having an allegation put on the public record, and no amount of denial could help to eradicate a certain amount of suspicion or a certain amount of prejudice—

**Mr. Fisher:** May I ask the parliamentary secretary a question? Did he not read an alleged statement by the deputy commissioner in charge of the branch which contained statements about a certain union? As a matter of fact, it is a union to which I believe the parliamentary secretary to the Minister of Labour (Mr. Byrne) is proud to belong? Given a statement of this kind by the commissioner, given this kind of connection between the Alert Service and the R.C.M.P. which has been acknowledged by the R.C.M.P., what is likely to be so terrible in terms of general consequences about either answering the questions I put to the minister or letting me have the correspondence? Surely, there is a wrong being done the other way.

**Mr. Macdonald:** I do not think that follows at all. I have no reason to believe either that the statement was or that it was not accurate. I know there has from time to time been considerable criticism of, I believe it was, the Canadian intelligence service as well as the Alert Service, to which he has now made reference. I do not know whether that statement was accurate or not, but I think that statement would only be made by a responsible official such as the gentleman who is now in charge of the R.C.M.P., after full investigation of the validity of the facts upon which it is based. I suggest there is a broad distinction between a situation where the police have investigated a particular situation and established the validity of the facts, and the situation where some malicious individual may write in to the R.C.M.P. raising charges against a perfectly innocent individual and thereby causing prejudice to him.

I refer to the fact that it has been substantially accepted in this house for many years that the documentation and, in fact, the investigative activities of the police generally should not be gone into either by questions or the production of papers. I would refer hon. members to *Hansard* of April 28, 1952, at page 1646, in connection with a notice of motion for the production of papers brought by the former leader of the hon. gentleman, the former member for Rosetown-Biggar, Mr. Coldwell. This was a notice of motion by the hon. gentleman in connection with certain investigations which had been carried on by the R.C.M.P. under the Animal Contagious Diseases Act. The then minister of justice, the Hon. Stuart Garson took the position that it would be against the public interest to make public the particular documents required. He went on to say:

> The reasons for the taking of this position will be obvious to anyone who gives the matter thought. Not only are the police investigators instructed to ascertain all the relevant facts, but they are encouraged to submit to their superior officers their own theories and their own hypotheses as to what interpretations might be drawn from these facts in further investigation into the matter. They are encouraged to suggest further lines of inquiry. They are encouraged, and indeed instructed, in the case of an investigation into a crime, to suggest in strictest confidence all those whom they regard as possible suspects, however slight may be their own reasons for suspecting these other persons, in order that their superior officers to whom these confidential reports are made may, by considering these confidential reports along with other confidential reports received from other investigating officers, draw conclusions as to what further investigations may be necessary, or even ultimate conclusions as to guilt and the identity of the guilty party or parties.

The various debates to which I have referred on this particular question make it abundantly clear that it could only have the effect of inhibiting the activities of the R.C.M.P. in the discharge of its legitimate police duty.

**Mr. Fisher:** That is what is being done.

**Mr. Macdonald:** The disclosure of this would not only have the effect of inhibiting this police function but it could also result in a prejudicial effect on particular individuals who might be referred to in correspondence of this type. It is for this reason I feel that all hon. members should oppose the passing of this motion and it is in this connection that I would suggest to the hon. gentleman that he might fall in line with precedents and withdraw his motion.

**Mr. Fisher:** I will withdraw the motion as soon as the parliamentary secretary gives me some answer that is satisfactory to the two questions I raised, the two possible questions.

**Mr. Macdonald:** I pointed out to the hon. member that I cannot from my own personal knowledge answer that particular question. I also pointed out to him that as a general principle it would not be desirable to submit the material to the type of cross-examination which might be involved in questions of that kind.

**Mr. Scott:** Would the hon. gentleman permit one further question? Would he undertake to familiarize himself with the correspondence and give the hon. member for Port Arthur his answer on another day? We could adjourn the debate in the interval?

**Mr. Macdonald:** I am prepared to consider that suggestion but I feel on the basis of general principle it would not be desirable for me to set a precedent, or for hon. members to set a precedent, which would require someone in my position to go back and examine a document, to speak to the police about this, and come back to the house with excerpts from it or conclusions or statements made on it. I would go on the general principle that it would be against the public interest for this particular statement to be produced in parliament.

**Mr. G. H. Aiken (Parry Sound-Muskoka):** I just wish to make a few comments in connection with this motion. I should like first of all to say that the question of discretion as to what if any information in the files of the mounted police is made available, should be left to the Minister of Justice and the R.C.M.P. I realize the hon. member for Port Arthur has raised a somewhat novel point. He wants one way correspondence to be given without necessarily the replies. Yet I think it is the old case of being unable to confirm or deny that certain information exists because, in such confirmation or denial, important admissions might be made.

I will admit that during the last year there have been certain apparent shortcomings in the security system of the R.C.M.P. These have been shown in several cases which have been brought before the house. I think such shortcomings are natural under a system such as ours and under the system under which the R.C.M.P. operate. They do not operate in a world of facts. They operate in a world of suggestion, conclusion and even inference, which is repugnant to a good many of our basic concepts. Yet when it comes down to a fine point we have to accept this system as preferable to having no proper security, or insufficient security in this country. There is a very fine line between what can be revealed and what cannot be admitted, and that line we cannot here undertake to define. I believe that definition must be left in the hands of that authority.

In this particular case I would expect the R.C.M.P. would not give the information requested by the hon. member. In all conscience I would not expect them to do so. I believe that what the hon. member is getting at is that the R.C.M.P. may be using this agency in order to get certain names put before the public, which it cannot do itself.

**Mr. Fisher:** And which it will not give to us.

**Mr. Aiken:** And which it will not give to anyone, and for which it will not accept responsibility because it is based on this very realm of suspicion, of consequential facts of evidence gathered up, which is not always conclusive. If this is the case, and we can only speculate about it, I would not expect the mounted police to admit it, nor would I expect they would deny it. I do not know how we could expect an answer to this particular question. We must, of course, always be alert and see that individual cases of hardship and of unjust suspicion must be cleared up, which in our free society can be followed up, so that the names of certain innocent individuals who are suspected are cleared. These are cases of recognized publications. I know of one which the hon. member referred to, a publication called "Northern Neighbours". It happens to be published in the community in which I reside, and it is no secret that it is a communist publication. Neither is it any secret that it is published in my area, and I must admit I get a lot of letters about it. Nevertheless I do not suppose that even if the mounted police were asked about this publication they would include it in a list. I have no hesitation in stating here that this is a communist newspaper, is accepted as such, and is in fact published under the sponsorship of the communist party of Canada. I do not think it is an illegal publication; if it were illegal it would not be published. Nevertheless I feel we cannot go into this situation by expecting an answer, which would open the door to a good many more. I sympathize with the objective of the hon. member in keeping alert—

**Mr. Fisher:** Could I just ask a question. Would the hon. member condone the activity of the R.C.M.P. in providing an agency such as this, which it calls reputable, with a list of subversive organizations for publication while at the same time the R.C.M.P., through the Minister of Justice, refuses to acknowledge that there really is such a list or that it should

be given to members of parliament? This hardly seems to me to be the way a democracy should function.

**Mr. Aiken:** No, I would not condone that at all, if that be the case. I would not think it a proper use of this particular organization or of the services of the mounted police if that were so. Unfortunately, I do not feel that we can expect them to admit or deny it.

**Mr. Barnett:** Would the hon. member who has just taken his seat permit me to ask him a question. The question which comes to my mind is whether he would agree that we should be able to know whether or not the R.C.M.P. is giving information to a voluntary organization which it is not prepared to give to the members of this house. It seems to me that is the nub of the question which is being asked by the hon. member for Port Arthur (Mr. Fisher). It has nothing to do, in my submission, either with the argument advanced by the last speaker or by the parliamentary secretary. I think this is an important question.

**Mr. Aiken:** Perhaps we are trying to do indirectly what could not be done directly. If the question: "What organizations are considered communist-dominated, and what publications are so classed?" were put on the order paper, I do not suppose it would be answered.

**Mr. Fisher:** For the information of the hon. member I might tell him that I have put such a question on the order paper for a number of years, and the response of the government is always that it is not their policy to do this. More than one minister of justice has given this same reply; also the parliamentary secretary has this afternoon confirmed it.

**Mr. Aiken:** In reply to the last three questions—I am not going to talk the motion out—the overriding consideration in this situation must be the security of the nation. I do not think we can direct the R.C.M.P. as to how they operate. If they choose to operate in this manner, then I do not think we can prevent it. For example, if we asked the C.I.A. either to acknowledge or deny that they had anything to do with the flying of explosives into Cuba by the two Canadians who were recently arrested there, I do not think they would do so, and I certainly would not expect them to.

**The Acting Speaker (Mr. Batten):** Shall I call it six o'clock? I must advise the house that the hour for consideration of private members' business has expired. Before I call it six o'clock may we revert to committee and resume the business interrupted at five o'clock.

## SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

1. Departmental administration, $7,648,800.

**The Deputy Chairman:** It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at 7 p.m.

**Mr. Diefenbaker:** Mr. Chairman, at the time of adjournment of this discussion I was dealing with the question of admission to the organization of American states. I am not going to say any more on that point except to refer to a pamphlet issued by the Canadian-American committee entitled "Canada and the Organization of American States". The minister, of course, is thoroughly conversant with this pamphlet in which the arguments both pro and con are given.

In summary, the arguments in favour of membership are that Canada would play a constructive part in international diplomacy in the western hemisphere and have closer trading and economic relations. Both these arguments are cogent ones. As already stated, during our period in office we greatly extended the field of our relationship with these countries in the western hemisphere. We realize, as all hon. members realize, that we are indeed in the western hemisphere and that the interests of the countries within that hemisphere are our interests.

On the other hand, the arguments cited against are first, as already pointed out, that Canada would be placed in an awkward position. Then there is the political argument that the commonwealth connection weighs against full Canadian participation. There is the argument that membership would be costly and a heavy burden. We would also find ourselves involved politically in every disagreement, difficulty or revolution in central or South America. In the organization a decision is binding on all if it is supported by two thirds of the members, but consent to use armed forces is not governed by the same majority vote. The cumulative effect of the demand that we participate in insurrection, revolution, rebellion or other internal difficulty is something that we in Canada should not assume unless there are advantages far outweighing the potential difficulties that caused us to delay and to defer taking action. The

same course has been followed by the present government, despite the views expressed by the minister and by the Prime Minister.

I referred to the Prime Minister earlier. There is one quotation I think I should place on the record, a statement made by him on April 27, 1961. He said that he thought the only piece of advice he had given to the minister was, to use his words as found on page 4085 of *Hansard*:

> —sympathetic consideration should be given by the minister now to something which he seemed to be considering very sympathetically a year or so ago, the problem of Canadian association with the organization of American states.

Now, sir, what I intend to do is deal with several subjects, endeavouring to follow as closely as I can the order in which the minister presented his argument when he dealt with Canada's membership in the various organizations and then with Canada's responsibilities. He mentioned, among other things, that I would have some knowledge of the situation in Yemen. He pointed out that Canada had a representative group under the United Nations in that distracted country. He did not go into any detail regarding the position of the United Arab Republic, which placed some 30,000 men in that country to uphold the revolutionary government that took over, nor did he deal with the resolutions of the United Nations in that connection. He did express the view that it would not be very long, as I understood him, before this Yemen problem would be solved. The solution, of course, would require the removal of these troops. Personally, I do not believe there is any possibility of the removal of any substantial portion of the troops of the United Arab Republic from Yemen this year or even next. Therefore, consideration will have to be given to additional members being recruited, through the United Nations, for the observation unit there.

I feel I should now pass to a personal matter having to do with a visit I made during the month of September to the United Arab Republic and also to Israel. I want to say immediately that it was my first visit to the United Arab Republic. The respect and regard for Canadians in that country is heartwarming. I had made available to me an aircraft to take me all over that country. I met not only the prime minister but the foreign minister, who is an old friend of the Secretary of State for External Affairs, Mr. Fawzi. I had a long talk with President Nasser. The hospitality and warm consideration shown to me and to my wife, on behalf of Canada, was heart-warming. We saw evidence of the dramatic building of a nation. We saw a great desert in which vast improvements have taken place, one of which is the construction of the Aswan dam. When it is finished, it will provide the last source of water for that vast country and it will mean that only 4 per cent of the entire area will be cultivatable. The only hope that they have of this desert blooming as the rose is that ultimately solar power may be used to produce water for the soil from the sea.

I visited the United Nations emergency force. The commanding officer, an Indian, was one of the most striking men I have ever met, Major General P. S. Gyani. I visited the Canadian corps and saw there something of the contribution that Canada has made. Out of a force of 5,100 on the Gaza strip, one fifth are Canadians.

I realize that some will not agree with the view I am about to express. President Nasser impresses me as a man with tremendous capacity and ability, dedicated to the building of his country. While from time to time he makes speeches that are inflammatory against Israel, I believe that the attitude of the leaders in Egypt and in Israel has greatly ameliorated the bitterness of a few years ago. Prophecy is one of the most dangerous pursuits in which one in politics can indulge, but on the basis of discussions with the president and other representatives of the United Arab Republic, I do not believe that they have in contemplation the launching of any attack against Israel.

Now then, the government is one that practises state trading, a kind of totalitarian socialism. It decries communism and at the same time it has close relationships with those who are communist. Marked changes have taken place in the past few years. Education has been widely extended in the desire to raise standards, and this gives one the impression President Nasser is a leader with an ambition in life to restore something of the ancient grandeur of his country, which had one of the earliest civilizations. At the same time he seeks to maintain the peace.

Following my visit to Egypt for a week, I went to Israel. This was my second visit there and the changes in 10 years are beyond words to describe. The discoveries, the archaeological excavations, have established beyond peradventure that the Old Testament is in fact not only a book of faith but a true book of history. Practically everything in the Old Testament that was regarded by the agnostic as being fairy tale has been proven, in the light of 10 years' excavations, to be fact.

I was received by the president and met the prime minister, the minister of foreign affairs and other members of the cabinet. I met David Ben-Gurion who spoke in glowing terms of Canada and referred to several hon. gentlemen opposite, two of whom are before me at the moment—the Secretary of State for

External Affairs and the Minister of Justice—in a way that would have warmed their hearts. He the warrior, dreamer, idealist and statesman is now retired and belongs to that exclusive club of ex-prime ministers.

I again saw something of the awful refugee problem, and I spoke with all these leaders. Mr. Chairman, 10 years ago I would not have made the suggestion I am now about to make, and I make it because I have met with the leaders of both these countries. While the Arab world has always strongly held the view that Israel should never have been created as a state, while they contend that the Balfour declaration of 1917 was one that ought not to have been made, and while they have refused at all times to meet with representatives of the Israeli government, I think there is a change of attitude in both these countries, and a recognition of the fact that Israel is there to stay and wants to live in peace with its neighbours.

Without peace Israel cannot achieve the greatness of her destiny. I have already spoken of the international force, UNEF, I decry no one else's contribution to the setting up of that force, but I do point out that in January 1956 I suggested an international force be set up to protect and ensure the boundaries between Israel and her neighbours. It was not regarded as a serious suggestion, but it was adopted later that year.

That force is not strong enough to maintain the peace. It is not intended to do that. It is there for the purpose of observation, with a minimum of security assured. The difficulty between Israel and the Arab states is one of the potential dangers in the world today, and I think if it were possible to get representatives of the U.A.R. and other Arab states to meet with representatives of Israel in discussion, there might well be a possibility of achieving a degree of agreement which has been wanting since 1948. The boundary and refugee problems may be nearer solution than could have been hoped for even two years ago, and it should not be forgotten that Canada has a high reputation in these countries.

In his speech last January the Secretary of State for External Affairs said we should look at the radar screen, as it were, of world affairs and determine on some definite courses to be taken by Canada. I am now following that suggestion. Canada, without ulterior or selfish purpose, is not suspect by either side, and it must be remembered there can never be a solution of any problem if those who disagree cannot come together. But 18 feet of carpet between opposition and government does not constitute isolation one from the other. No government is unaffected by the arguments advanced by the opposition. No opposition is unaffected by the stands taken by the government, no matter how in the course of discussion we may disagree with them.

In Canada, Jews and Arabs live in amity, and I suggest that Canada should now take preliminary steps to sound out the Arab nations and Israel, with a view to bringing together representatives of these nations in Canada to discuss their problems and difficulties, so that peace with understanding and justice may be brought to the Middle East. I think that action at this time would prove of beneficial result, and there can be no harm done if there is failure the first time in endeavours made in that direction.

I now pass on to the commonwealth, one of the unique institutions to which we belong. I felt the minister treated it very lightly with two or three sentences, and then went on to other matters. I am not going to discuss the commonwealth this evening, except to say that so long as Canada remains within the commonwealth, so long as there is that binding union, that magnetic influence east and west and over all the world, so long as that continues then we in Canada are assured of maintaining our independent existence.

From time to time I hear people speaking about what the results would be if we were to join the United States. I simply point out that all the guaranteed rights of biculturalism, education, and so on, would no longer exist; and they only exist because of the action of an imperial parliament far removed from this country which passed legislation generations ago.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** Many who come to our country have no concept of what this means in their first years in Canada. They have said of the commonwealth, "What is it? It has no seal; it is not held together by the sword; it has a few preferential trade rights; in general it has a common parliamentary tradition"—and that is disappearing—"but what is there?" It is undefinable; I have never been able to understand its meaning. I have sat in a prime ministers' conference, with the prime minister of the United Kingdom as the chairman and the rest of us around a table, of different colours, of different races, of almost all the religions of men. We are able to agree on the larger things that affect mankind. While there are disagreements between countries like India and Pakistan, no one in the commonwealth family believes the day will ever come when there will be war between them. In other words, the commonwealth knows what peace means, and the commonwealth knows how to

achieve peace among people, without regard to the differences of colour and race. That being so, I think when we are expanding aid and technical assistance we ought to give foremost consideration to raising standards within the commonwealth and giving countries within the commonwealth an opportunity to raise themselves.

They talk about Britain as a colonial power. She was a colonial power in 1914, when only 10 per cent of the people of the then empire had freedom. Today the figure is about 96 per cent. They have all grades and varieties of government, every level of economic development. I think it would be a forward step for the strengthening of the commonwealth and the cause of peace if we had set up within the commonwealth a commonwealth loan and assistance organization, financed by all the countries of the commonwealth that have achieved freedom, for the benefit of those who have become members within the last three years or so and those who will become members in the years ahead. I would like to see action taken so that the commonwealth prime ministers conferences, which after all are of the essence in binding the commonwealth together, would meet from time to time in various parts of the commonwealth—not in rotation, but with a major portion of the meetings being held in London and with meetings held from time to time in Canada, Australia, New Zealand and the other countries of the commonwealth, so that we would all get to know each other better.

Having referred to the commonwealth, Mr. Chairman, I now come to our relations with the United States. I am not going to go over the ground that was covered on the day of the tragedy. I am going to speak of the new President. All of us heard him yesterday. He is a great parliamentarian, a man who, with his forceful simplicity, was able to catch the imagination of mankind in a 25-minute speech. The Secretary of State for External Affairs referred to the continuance of the dialogue between Canada and the United States. I would have had a lot more to say on this if this debate had taken place a week or so ago. I am going to refrain from doing that on this occasion. But I do say, that the more general the dialogue and the more continuous the peregrinations in the last few months, the more accelerated the difficulties between our countries. I think that instead of this travelling back and forth, a little more diplomacy and less showmanship would be more effective. I also point out that it was said in January, 1963, that we were going to suffer because of the anti-Americanism of the government; that there would be a great withdrawal of investment funds in Canada. At no time did the previous government complain about investment in Canada. What it said was that all investment in our country, welcome as it was, should be designed to benefit Canada's destiny. In other words, if investment became an immigrant into our country, it should be such that would adopt Canadianism when it reached here.

Things were going to change, Mr. Chairman; the dialogue was going to bring about tremendous results. What happened? I am not going to repeat what has been said in connection with the budget, but I am going to point out that the dominion bureau of statistics quarterly report issued on November 26 shows that capital coming into Canada through sales of Canadian securities to foreigners amounted to $98 million in the third quarter of 1963; that is the period July, August and September. This is the period in which this government, then in office for several months, said there was going to be an investment attraction to Canada under the new diplomacy. What is the record? In the second quarter—that is, April, May and June—the amount was $391 million. In the first quarter of 1963 it was $410 million. In the fourth quarter of 1962 it was $386 million, an average of about $390 million for those three quarters. This government takes over, and there is a falling away in United States investment in our country of approximately $300 million in a period of three months. I point this out as evidence that this government in its dialogues seems to be engaged in a monologue. I do not intend to say more, except that this followed the action of a government which was going to open a new stage of Canadian-United States relations. Yet the last three months has seen the lowest figure in a period—and here I am speaking from memory—covering some eight quarterly returns. This is something which deserves attention and it is one which places the mark of Cain on the tinkering which has gone on by this government in its relations with the United States—a kind of tinkering which is described by the government as dialogue. A withering of our investment in that manner and in that proportion spells difficulty for this nation.

Our attitude is this: Companies investing in Canada should be required to obey the laws of Canada. At the time of the Cuban crisis—and I am not going to deal with that this evening, but events have proved we were right in the attitude we took in October of 1962—the contention of the United States was that because they had decided they were not going to deal with Cuba, we could not deal with Cuba in non-strategic materials. We took the stand that Canada would determine its own policies without direction. In so far

as investment is concerned in those areas of the Northwest Territories controlled by this nation, we had the law changed so that none but Canadians could take out mining licences, licences for oil and the like. If there was development, 50 per cent had to be made available to Canadians. It was said at that time that this would kill United States investment in Canada. As a matter of fact, there was a tremendous expansion of investment in those areas. I ask the government to give an explanation for this document, issued only two days ago, a document which disposes of all the froth of the argument that the present government has the answers in Canadian-United States relations.

I turn to the other organization in which we have membership, the United Nations. The minister paid a most eloquent tribute to the United Nations, and rightly so. He told us about the development which has taken place, about the expansion which has been witnessed; how all Canadians had hoped this institution would be all-embracing. I am not sure what the membership is today. I believe it is around 112. I hear someone say it is 111. Well, it was not all-embracing to begin with. I was in San Francisco in a humble capacity in 1945. No one could have dreamed that that body would have the membership it has today, and there will be further increases. It is an amazing institution. It is 18 years of age. The league of nations died at 16 years of age. At 18 one goes through a bewildering change. The United Nations is doing the same. There are some problems in connection with it, and the minister has mentioned them, including the need of action to require member nations to make their contributions. The hon. gentleman dealt with that matter at length. I know what he is trying to achieve. It is a preposterous proposition, that because a nation is strong and powerful it can say: I belong to the club but I won't pay the membership fees. That is what it amounts to. It amounts to saying: I want to be a member and I want all the privileges, but I want somebody else to pay. It is all right if you can do that, but it will not, in the United Nations, assure the preservation of that body.

I notice the minister did not deal with a matter he raised outside the House of Commons—an increase in the membership of the security council. That is desirable. It is necessary so that representation may be secured for the many groups of nations in Africa, in Asia and in other parts of the world. That is the ideal. But it cannot be achieved without the consent of the U.S.S.R. and there is every evidence, if the information I have is correct, that it would impose a veto. The question of seats in the United Nations is one which my hon. friend from Oxford will deal with at length, from the vast experience he has had of that body. I do not intend to say more, except that we in Canada should make clear our view that nations should be required to pay their dues.

The United Nations has brought about the end of many serious difficulties. I do not intend to read out the list I have here, but for those who are interested, the Canadian foundation for education in world law has an article in the current issue of its journal entitled "Peace in Our Time". It shows the number of wars and revolutions in all parts of the world since 1945, and it is an amazing list. Some of us fail to realize, sometimes, that while we have lived in peace, among a vast proportion of the nations on the earth there have been wars throughout this period of time. And there would have been more, but for the United Nations.

I feel that while it might be arguable that when the cold war softens we ought not to bring up matters which could be provocative, we should do more than just enunciate in the House of Commons our belief in non-discrimination and in the right of self-determination. I feel that the present government should continue what this party endeavoured to bring about, namely support of the members of the United Nations for a resolution calling on the U.S.S.R. to give to the subjugated peoples under its control or the control of its satellites the right to determine for themselves their future course. We think in this regard of the subjugation of people in Czechoslovakia, Poland, Hungary and the Ukraine; we also think of Latvia and other countries of the Baltic. I heard Khrushchev say that he believed in self-determination, that with him this was a basic principle. Because of the overwhelming number of foreign races who are members of the United Nations today, colonialism is not regarded as colonialism if only the right white race is involved.

It is hard to get support from those of the coloured race, the minister will agree, to join in a resolution against the U.S.S.R. for its tyranny over the people of Europe and elsewhere. Last year and the year before we endeavoured to bring about such a resolution, but we did not have the general support we had hoped for. At the NATO conference in Paris in December of 1957 I was able to secure the inclusion of a term in a resolution calling upon the U.S.S.R. to assure the peoples under its control their right to determine their own destiny. I should like to see a strong stand taken in that connection.

There is something more I find rather difficult to understand. The minister dealt in grandiloquent terms with the question of

racial non-discrimination. In view of that I find it difficult to understand why the Canadian vote was not cast in the third committee of the United Nations in favour of a resolution against discrimination. But, no, Canada abstained. The hon. member for Winnipeg South announced our abstention. The excuse given was that some constitutional principle in Canada would be infringed.

I have this resolution before me, Mr. Chairman, and I should like to read a portion of it to show the kind of resolution from which we abstained. I would ask why the government of Canada abstained. The resolution says, in part:

> The general assembly,
> Considering that the United Nations declaration on the elimination of all forms of racial discrimination provides that the United Nations, the specialized agencies, states and non-governmental organizations should do all in their power to ensure the abolition of all forms of discrimination based on race, colour or ethnic origin,
> Considering the great importance of the speedy implementation of this declaration in order to liquidate all forms of racial discrimination as soon as possible,
> Considering it essential that, as a step towards the elimination of all forms of racial discrimination, the declaration should be made known throughout the world,
> 1. Requests that all states shall undertake all necessary measures in order to implement fully, faithfully and without delay the principles contained in the United Nations declaration on the elimination of all forms of racial discrimination.

The reason was, so it was said, because of article 9 of the resolution, which says:

> 1. All propaganda and organizations based on ideas or theories of the superiority of one race or group of persons of one colour or ethnic origin with a view to justifying or promoting racial discrimination in any form shall be severely condemned.
> 2. All incitement to or acts of violence, whether by individuals or organizations, against any race or group of persons of another colour or ethnic origin shall be considered an offence against society and punishable under law.
> 3. In order to put into effect the purposes and principles of the present declaration, all states shall take immediate and positive measures, including legislative and other measures, to prosecute and/or outlaw organizations which promote racial discrimination or incite to or use violence for purposes of discrimination based on race, colour or ethnic origin.

Canada abstained from voting and as a result got a black eye. The vote finally came up in the assembly. The question was also raised in this house, as I recall it, and the excuse, as I say, was that some constitutional principle was at stake. After a lot of argument in the United Nations someone finally suggested that a few words should be added, and in the passage which reads—

> —to prosecute and/or outlaw organizations which promote racial discrimination—

[Mr. Diefenbaker.]

—they added the three words "or incite to" so that it read:

> —to prosecute and/or outlaw organizations which promote or incite to racial discrimination.

Then Canada voted in favour of the resolution, as did all the nations. I cannot understand why Canada abstained in the committee on a matter which is inherent in our constitution. This principle is inherent not only in our bill of rights, but it is one inherent in the stand taken by the commonwealth at the prime ministers' conference, and is now accepted throughout the commonwealth. It is true that two or three weeks afterwards, following some contemplation and the addition of those words, which are to say the least meaningless, there was a change of attitude. But I should like the minister to explain by what variety of aberration did Canada's representatives give to Canada internationally an image contrary to the basic principles of this country, namely freedom from discrimination. The *Christian Science Monitor* of November 22 has this to say:

> The United States, indeed the entire western bloc, has just averted by a semantic eyelash a major collision with that two thirds of the world which is non-white.

Both the house and the country have the right to know why Canada took this stand. I received three or four letters from India, from Pakistan, from one country in Africa, asking me why Canada abstained on this question of non-discrimination. I am glad they took a second view of this, but it will take a long time to eradicate the effect of Canada, with regard to a resolution that commands the support of Canadians as a whole and would commend itself to all Canadians, abstaining on the basis of a comma or the absence of one or two words.

Mention was made by the minister of peacekeeping machinery. He did not go as far as he has gone on previous occasions in that connection. He has argued in the past that the United Nations should have a permanent force, but he did not go that far today. He spoke of improving the peacekeeping machinery of the United Nations. That is all to the good; but I do hope that before Canada arrives at any decision to support the setting up of an international United Nations force, parliament will have the opportunity of discussing it.

I am not speaking about these peacekeeping forces at all. When we were in office we designated one infantry battalion for service under the United Nations flag, and although Canada has since taken part in peacekeeping operations, the unit has never been used or called for. While the minister and the Prime

Minister go about speaking about the necessity of this force under United Nations control, we have to go outside the House of Commons to find out what the situation is. Today the Minister of National Defence spoke in Toronto.

The Prime Minister and the Secretary of State for External Affairs are all for this force. There are tremendous difficulties in the way. If you set up a body under the United Nations, is it going to be recruited only from the small nations? Are you going to recruit Britishers or Americans or Russians? When you form this force, does it take its direction from the United Nations regardless of the feelings of the respective nations whose forces are used? How often in the last few years it has been found difficult, if not impossible, to use Canadians in certain areas because Canadians are white and the coloured races do not want white armed forces from the United Nations.

Suppose the kind of United Nations force contemplated by the minister and the Prime Minister is set up. What happens? Suppose Canada says: We do not want to be at war with nation A. Must the members of the force from Canada take the direction of the United Nations rather than that of their own nation? One has only to ask the question to realize, with conditions of nationalism being what they are today, the impossibility of setting up such a force. Again I say that does not deny peacekeeping machinery, but it does deny the setting up of such a force powerful enough to act under the direction of the United Nations.

I said a moment ago that we had to find out outside the house what the situation is. As found on page 12 of the speech delivered to the Empire club of Toronto today by the Minister of National Defence, the minister said:

> Neither the secretary general nor any major power group within the United Nations has shown any enthusiasm for such a permanent force.

That may be the reason the minister did not press it today; but for the last two or three months the airwaves have been filled by the public statements of the minister and the Prime Minister on the dedication of this country to the setting up of such a force.

**Mr. Martin (Essex East):** Would my right hon. friend permit me to say to him that I have listened with interest to what he has been saying. I do not take issue with what he has said. If there was evidence in the United Nations at the present time that a United Nations police force could be set up, this government would certainly give support to that idea but, as my right hon. friend knows, at the present time there is not the disposition to give support to such an idea and we have been trying to achieve it within a more limited sphere.

**Mr. Diefenbaker:** That is a very interesting observation because I want to refer now to what the Minister of National Defence said as to the proper course when he spoke today. He went on to say:

> It would appear then that the most satisfactory solution is to have well balanced, broadly trained forces to draw from as required.

That just shows the cleavage between ministers in the government.

**Mr. Martin (Essex East):** There is no cleavage.

**Mr. Diefenbaker:** I realize that the hon. gentleman always finds difficulty in seeing that the antithesis to something is not the same. I point out that the minister has quite frankly admitted that if the other nations would favour such a force Canada would then be in the van along with them; but the other nations are not going to have it, so my earlier request that parliament should have the opportunity to examine the matter fully before such a force comes into effect is surplusage.

One tries to follow in the sequence taken by the minister the various matters he discussed. Without a prepared script, but simply anticipating what might be considered to be important, I have endeavoured to place before the house as objectively as possible the views of the opposition. We share with the government—no party has a monopoly in this regard—the desire that the objective, the dedication and the first consideration of all of us shall and must be peace with justice, a world under law, a world in which each nation will regard itself as a keeper of all other nations.

In external affairs we try at all times to maintain an essential unity. That unity will be maintained by the opposition whenever questions of external affairs come before the house. However, when one considers that the Hon. Howard Green for three long years, in the face of contemptuous ridicule, pursued the objective of ending nuclear tests as a preliminary to the wider field of ultimate disarmament, I am sure no one will object to my saying that, despite the outcome of the election, he has the satisfaction of knowing that he builded better than he dreamed.

**Mr. Brewin:** Mr. Chairman, we in this party welcome the opportunity presented by the introduction of the estimates of this department to take advantage of the wide-ranging debate on Canada's role in international affairs. I, too, would like to congratulate the minister, who seems temporarily at least to have left the chamber, on

his masterly review of world affairs. I must admit, however, I should have liked to hear something a little more definite about Canada's role and Canada's views on concrete international questions. I suspect other members would have liked to hear a little more definite information, too. I was reminded, Mr. Chairman, by his speech of what was once described as the two worst lines of English poetry ever written. They were written by Dr. Samuel Johnson, and he opened the poem with these words:

> Let observation with extensive view
> Survey mankind from China to Peru.

This seemed to me to be a fairly good description of the minister's speech. He spoke eloquently, for example, of the dangers of the isolation of a great country such as China. He told us, if I correctly heard his words, that it was not too soon for the west to rethink its relationship with China. I wish that he and his government had had the courage to announce official recognition of the existing regime in China, which is a fact of life whether or not we like it. If he had done so, Mr. Chairman, he would have given some substance to the generalities which he gave us in his speech.

The minister's observations—I see he is here now—about O.A.S. were, I thought, a beautiful example of his own inimitable style. He told us that the question of Canada's relationship with O.A.S. was under active review but that no conclusion whatever must be drawn as to whether he and his government favoured Canada's joining the organization, and that his answer to that question would be, maybe yes and maybe no. I think that is a rather typical example of the style of the Secretary of State for External Affairs.

In a remarkable speech made at American University in Washington on June 10 of this year, the late President Kennedy called upon his nation to reassess their position towards the cold war. I should like to refer briefly, Mr. Chairman, to some of the things that were said by the president on that occasion because I believe that they are extremely relevant to this particular debate. On that occasion, he said he had chosen a topic on which ignorance too often abounds and truth is too rarely appreciated. He said this was the most important topic on earth, peace. He spoke of peace, he said, because of the new face of war. Total war makes no sense, he said, where great powers can maintain large and relatively invulnerable nuclear forces and when a single nuclear weapon contains almost ten times the explosive force delivered by all the allied air forces in the last war. He referred to peace as the necessary rational end of rational men. He spoke of the dangerous belief that peace is impossible; the belief that we are gripped by forces we cannot control. He did not refer, he said, to absolute concepts of universal peace and good will.

I ask the house to note these words, and I quote:

> Let us focus instead on a more practical, a more attainable peace, based not on a sudden revolution in human nature but on a gradual evolution in human institutions—on a series of concrete actions and effective agreements which are in the interest of all concerned. There is no single, simple key to this peace—no grand or magic formula to be adopted by one or two powers. Genuine peace must be the product of many nations, the sum of many acts. It must be dynamic, not static, changing to meet the challenge of each new generation. For peace is a process—a way of solving problems.

I make no apology, Mr. Chairman, for quoting at length the words of the late president. It seems to me that it is within the framework of this approach that we in this house can most usefully discuss in this debate on the estimates on external affairs the part which Canada can play in the supremely important task of our generation, which is the building of a world community. That part will not consist of magic formulas or withdrawals from the harsh facts of life, but in steady support for concrete actions and effective agreements looking towards the evolution of an effective international order.

The members of all parties in this house agree about the importance of this objective, and will agree about many of the means required to achieve it. I, on behalf of my party, will emphasize those aspects of our international policies in which we believe that a new approach is required and in which we believe Canada lags at the present time.

First of all, we believe, as other members in the house no doubt do, that Canada must give its fullest support to the United Nations and its agencies. We believe that we should do all we can to advance the interests of the United Nations, for example—and this was discussed by the minister—by placing a contingent of Canadian troops permanently at the disposal of the United Nations secretariat. We believe we can assist other like-minded countries to make available to the United Nations a force which would be at least a step towards the rule of law throughout the world. I welcome what the minister said in this regard, and I sincerely hope that his words will be followed by actions. I know there are difficulties, but I do not see that these difficulties should prevent us from genuinely making available a force of this sort to the United Nations.

We believe that the present easing of tension between the east and the west, which has been symbolized by the test ban treaty, should be used for further steps forward. I have just returned, as have other members of

the house, from a trip or visit—I do not use another word which I have seen used in the press—to Europe, during which we saw the massive array of military power with which each side in the cold war confronts the other. It is true that this massive confrontation of power creates, by reason of its deterrent effect, a sort of uneasy stability. It is true also, however, that while Germany remains divided and Berlin remains a democratic island behind the iron curtain, no assurance of final pacification in this key section of the world is possible. This is the reason that we, in this party, urge serious consideration of a demilitarized zone in Europe and the mutual withdrawal of nuclear striking power and other weapons as a step towards the eventual disbandment of opposing military blocs in Europe.

A companion step which might have great psychological value would be the negotiation of a non-aggression pact between NATO and the Warsaw pact countries. No one who has visited Europe and who has spoken to the leaders of the European countries thinks that the demilitarization of central Europe is an easy task, or one that will be accomplished overnight. It involves the preservation of balances and it involves a step by step approach. But we believe Canadian policies within the alliance should be directed to actively encouraging within Europe those who do not take a rigid stand and are prepared to start now on the road towards building eventual mutual confidence, which is essential for lasting peace if this important area is to be secure. But, Mr. Chairman, it is our view that the major areas of instability throughout the world are not in Europe, where the balance of nuclear power makes war of any sort an insane gamble on either side. The danger of instability throughout the world lies rather in Asia, in Africa and South America, where the tremendous revolutions of our times are creating new states and also new stresses.

Peace cannot be secured until the striking inequalities between rich and poor nations are reduced. Today as we see it—and it is true—the danger of conflict arises out of the cold war and the menace of communism; but this menace does not arise entirely from the massive military power of the Soviet union, real though that is, because it is effectively balanced by the equal and more massive power of the western alliance. It arises rather from the power of communism to exploit the urgent desire of the poverty stricken two thirds of the world to raise their living standards, even if this appears to require the acceptance of the coercive methods of communism. That is the real danger to the world, and that is the danger to which we should be paying more attention.

Social and political changes are pressing forward in the world today with increasing force. The big question is whether or not these forces will be channelled into the mould of communism, with its suppression of the individual, or whether these changes will find their expression within the framework of democratic systems which concern themselves with the rights and the worth of the individual. We believe a generous and effective international plan, on the same scale of generosity as the Marshall plan, which would enable countries such as India to take off on the way to expanding and self-sustaining economies, would be a contribution to defence and security just as important, if not more important, than the contribution to traditional methods of defence.

It does not seem to me that we in this house, in this country, or in the western world have begun to take this problem seriously. Only recently we had the opportunity to hear Mrs. Myrdal, a distinguished Swedish ambassador, talking to us about Sweden. She said that Sweden, with an average annual income of $2,000 per year, proposes during the next 10 years to increase its national income by 5 per cent per year, which would mean that in 20 years the average income would exceed $4,000 per year.

Most of the western democracies, although many of them lack the political and economic wisdom of the Swedes, are aiming at similar objectives, which they will achieve with varying degrees of success, as no doubt we shall in Canada, but take the contrast with India. Mrs. Myrdal pointed out to us that India, despite its high level of potential skill, and its plans for an expanded economy and a measure of international economic aid, is only able to increase its average annual income of $100 by approximately 1 per cent per annum, which would achieve a level of $120 per annum in 20 years. Therefore this grave disparity which now exists is accelerating at a tremendous pace.

We say it is necessary to plan internationally for an abundant world. It is necessary to make an effort on a scale far greater than we have done so far. This matter was discussed by the United Nations general assembly at its fifteenth session in 1962. The assembly expressed its hope that the flow of international assistance and capital to developing countries would be increased substantially, so as to reach as soon as possible

approximately 1 per cent of the combined national incomes of the economically advanced countries.

I am aware, as of course are all hon. members, that on November 14 the Secretary of State for External Affairs announced an increase in the Canadian contributions to economic aid. This proposed increase, which is to come into effect in 1964-65, brings the Canadian contribution to $190 million a year, a good deal of it in the form of loans; but I would point out to the committee this will be less than half of the 1 per cent which the United Nations has suggested as a reasonable standard. We believe that even with this announced increase there remains a gross imbalance between Canada's contribution to economic aid and the sum of roughly $1.5 billion which Canada is spending annually on defence.

Our party, the New Democratic party, has been quite specific on this matter. We have committed ourselves to increasing economic aid to 2 per cent of the gross national income, roughly $800 million a year, more than four times the figure proposed by this government, and yet I point out less than half the amount we are currently spending, and have been for many years, on more traditional forms of defence.

I would like to point out to the committee that a halfhearted attempt to solve this problem of world poverty and to meet the urgent physical needs of the vast majority of the human race, is just not good enough. If we are to preserve freedom we must recapture the spirit of purpose and compassion. There is no doubt that we have the physical resources, but what we lack is the vision and the will to use them. I, and this party for which I am speaking, would like to see Canada lead and not lag in this field.

While I am speaking on the United Nations and the economic welfare of the world, I want to refer to a subject which sometimes people think it is tactless or wrong to mention. I would like to ask the Secretary of State for External Affairs to tell us some time what stand Canada is taking in the United Nations, or anywhere else, to assist underdeveloped countries in the problem of population control. It is high time we stopped being mealy-mouthed about this issue and recognized that unrestricted population growth means that every effort to increase the standards of human living throughout the world and to abolish poverty will be frustrated. I think there is an international obligation on well developed countries to help other countries faced with this problem to do something about it.

[Mr. Brewin.]

I now want to turn to another problem. I believe it is absolutely essential that our defence policy be brought into harmony with our international policy. I know this is not a debate on defence policy, but the two are intimately linked. Our role in the world, which we express through our Department of External Affairs, must be supported by a posture of defence undertaken through the department of defence. Mr. Chairman, I might tell hon. members that the words "posture of defence" are something I picked up in my experience in the committee on defence.

We in this party believe, as I think most hon. members do, that our own security lies in the closest co-operation with those to whom we are linked by geography and history. In other words, we believe in the unity and the strength of the western alliance, but within this alliance Canada can play a more constructive and independent role. She can equip herself to carry out tasks that larger nations cannot do. Canada can seek a role which does not merely supplement what our allies can do well enough without us. There is no need for us to add to the forces of the type of which we already have a superfluity. We can undertake a role within the alliance, what has been expressed as the role of fire extinguisher or peacekeeper, which others in the alliance cannot do, or for a variety of reasons cannot do well.

I propose to conclude my remarks by making a serious complaint; nevertheless I hope it will be a constructive one. To me it is absolutely scandalous that neither in the last parliament nor in this session of this parliament has the committee on external affairs met, or been called to meet. I find this extremely strange under the present regime, because the Prime Minister, when he was secretary of state for external affairs and also when he was under secretary of state for external affairs, played a considerable part in seeking to enlarge the scope and the vitality of the parliamentary committee on external affairs. I ask the Secretary of State for External Affairs, is it now the view of the government that interest in international affairs should be confined to a few departmental experts, or do they believe that the Canadian parliament should be concerned with these matters?

**Mr. Martin (Essex East):** Mr. Chairman, in answer to the hon. gentleman, I hope we can set up the external affairs committee tomorrow morning, and sit next week. I share my hon. friend's desire to have this done.

**Mr. Brewin:** I hope the future actions of the minister and his government will not belie his words as much as his past actions have in

this connection. It is pointed out to me, Mr. Chairman, that tomorrow will be the 100th day of this session, and I think we all hope the session is on the wane. I suggest it just is not good enough, in the type of world in which we live, not to have a committee on external affairs meeting until the 100th day of the session—if we are going to meet tomorrow morning, and I am not too certain of that.

**Mr. Martin (Essex East):** I agree with my hon. friend.

**Mr. Brewin:** The minister says he agrees with me. He is in a position to do something about it, if he agrees with me. It seems to me that the regular meeting of the committee on external affairs is essential if members of parliament are to participate in the formulation of Canada's international policy and if they are to be able to interpret adequately to the Canadian people policies on international affairs. It has been suggested to me, and no doubt to other members of this committee, that when Canadian parliamentary representatives go abroad they sometimes have to take a back seat when international issues are being seriously discussed. If this is so—and I believe it is so, from what I have heard—I am quite sure it is not because of any natural deficiency of understanding on the part of Canadians or Canadian parliamentarians. I believe it is because the government has made too little effort to acquaint members of parliament with the problems of international affairs. I suggest that the failure to call the committee on external affairs into being is a symptom of this attitude.

Mr. Chairman, my colleagues will no doubt wish to contribute to this debate, enlarge on some of the points I have made and raise others. I would like to conclude by telling the committee that we in this party seek, as I am sure all other members do, to contribute all that we can in hard thinking, intelligent planning and effective criticism to the strategy of peace, upon which the survival of all Canadians, and indeed of all humanity, depends.

**Mr. Thompson:** Mr. Chairman, on rising to speak in this debate tonight I would first like to congratulate the minister upon the speech he made this afternoon, particularly on his flow of words and beautiful language in dealing with the subject that no doubt is nearest to his heart. We in Canada—and I could not help thinking about this, this afternoon as I listened to the minister's speech—must be more concerned, as Canadians, with specifics as they relate to our role in world affairs.

The Secretary of State for External Affairs gave us the chance to turn for a while from the domestic issues that so often engross us and look at ourselves, not simply as a country living unto itself but as a member of a world family of nations with certain duties and responsibilities, not simply to our own citizens but to others in many other parts of the world with whom we must maintain relationships. It has been my personal privilege and experience to spend some 17 years living and working amongst peoples of other lands, not at the level of the foreign diplomat but down at the level where people actually live. As a result of this experience I have become keenly aware of and am most interested in the affairs that take place in the world, their relationship to us and our responsibilities in regard to them. I regret that there is apparently so little interest in world affairs on the part of so many of our members, as is evidenced by the number of empty seats in the chamber. I do not think any one of us can deny the fact that we live in a world in which no man can consider himself alone; no man is an island unto himself, as it has been said. Yet so many of us as members of parliament do not seem to be interested enough in what is going on in the world as it relates to us to even concern ourselves with debates and discussions on this topic. I would remind the government of the fact that members of the government owe a greater responsibility to their Secretary of State for External Affairs than is indicated by the small number of members now sitting in the benches on the other side of the chamber.

**Some hon. Members:** Shame.

**Mr. Thompson:** Mr. Chairman, I would join the previous speaker in saying that I think one of our greatest shortcomings—

**Mr. Martin (Essex East):** Mr. Chairman, may I point out to my hon. friend, since he has referred to the fact that many members are absent from the chamber, that there is a cabinet meeting being held tonight in connection with matters having to do with the proceedings of the federal-provincial conference. This is an important meeting.

**Mr. Thompson:** I thank the minister very much and I acknowledge the truth of what he has said. But the attendance in the chamber was not any better this afternoon, and certainly there ought to be more members present who are not participants in cabinet meetings tonight. I join the previous speaker in saying that I think one of the greatest shortcomings in the activities of this house is the fact that the committee on external affairs has not yet been set up. One of the things I looked forward to in coming to parliament was the opportunity and privilege of taking part in the proceedings and discussions of

this committee. However, I have yet to be informed that such a meeting has ever been held or the committee has ever been established in any active way during this parliament or the last one.

I agree with the statement made by the hon. member to the effect that every one of our delegates on every one of the committees assigned to some foreign mission should be briefed very thoroughly and carefully in the matters that concern their appointment to these committees. Certainly, as we take part in international discussions we owe it to ourselves and to our friends to be just a little more concerned with and better informed on these matters.

As we push forward into this fascinating era of change, of which we are a part, one fact strikes me forcibly. That is, that man's increasing control over nature has given him a freedom and power in his actions that he has never before known. This increasing freedom and power in turn poses a moral challenge to mankind in the realm of behaviour such as he has never before known. We no longer regard warfare between nations as some glorified entertainment and adventure in the spirit of the middle ages. We cannot even regard gunboat diplomacy as a moral duty in bringing world enlightenment in the spirit of the colonial era. It is an odd commentary in this atomic age that that which is most likely to bring peace on earth and the cultivation of Christian virtues such as charity, integrity, patience and humility between nations of the world in the 1960's is not the pious moralizing of those who wish to act solely from principle. It is the sober assessment of the risks that go with any other kind of conduct in a world where the major powers have their hands perpetually on a nuclear hair-trigger. In considering this subject I think it is up to us to see that Canada indicates her full share of these virtues. In my experience I have often seen situations which have made me aware of the fact that Canada is held in much higher regard by our friends abroad than we are willing to admit and to demonstrate by our actions.

I was interested, today, to read in the Montreal *Gazette* that a visitor from Scotland, the Earl of Dundee, had made a long range prediction in Montreal that Canada might one day be a more powerful and influential force in the world than the United States. This might be wishful thinking on the part of someone who has perhaps a better impression of what we are than we have ourselves, yet there is a certain amount of truth in it. I also received a letter today from a Canadian school teacher who took a year off from her work and went to Australia. I had an opportunity to read her letter during the supper hour. She told me that, though very often she had been taken for an American because of her mannerisms and speech, immediately people learned she was from Canada there was a new expression of friendship on their faces. This applied not only during her stay in Australia but in the other countries through which she travelled. I have seen this happen over and over again, and it is something which has always perplexed me. How is it that we, as Canadians, enjoy so much good will among our friends across the world when, as a nation, we have actually done so little to deserve it? Perhaps it is because Canadians in their own pioneering way have gone out to accept opportunities to help their fellowmen, without a lot of show and publicity. The fact remains that we do enjoy a great deal of good will in the world and I am confident this has come about because of Canadian individuals, not because of anything which the Canadian nation has done.

If we could only understand this, I believe the prediction yesterday by this visitor who came to us from Britain might become something not far from the truth and that Canada might indeed be a more influential nation in the world than it is today—possibly more influential than the United States. We certainly do not suffer from the handicap under which many of our friends in other countries labour. We are not associated with a legacy of economic or colonial imperialism. In these circumstances we can make friends easier and our work does not give rise to those doubts and suspicions which so often fall on other nationals. But I am disappointed that we in Canada are not doing more to take advantage of this favourable position.

In my brief remarks tonight I should like to review our foreign policy as it affects four main areas with which we are associated. First, I should like to refer to the American hemisphere. We cannot think about our relations with our neighbours in this area without being mindful of the tragedy which hit the United States last week, in the cruel assassination of President Kennedy. Perhaps no world leader has had more world vision and backed it up with more dynamic action than did the late president. We feel very keenly, particularly right here in the American hemisphere, the loss of this leader in world affairs. It has been reassuring to us to hear the new President affirm his determination to go forward with the policies initiated by the late President Kennedy. It has been particularly welcome news to hear him say that action, rather than mere words, is needed now to tackle the question of civil rights in the United States. I think we can take a lesson

from this in Canada. There is no reason why Canada should not be giving leadership in this area as well.

Living, as we do, in the shadow of the United States we sometimes think there is not very much we can offer in the way of leadership, so we follow along and adopt the attitude "me, too". I believe it is possible at this time for Canada to give leadership and direction, even to the United States, in regard to various aspects of foreign policy, certainly with regard to Central and South America.

I began to think this afternoon that the minister would not even refer to Latin America. Then, just before the close of his speech, he did mention the subject. I was disappointed that there was not more positive intention indicated in those parts of his speech which related to the situation in that area. He said the government was watching discussions which are now taking place within the organization of American states. He also said he thought public opinion was more favourable to Canada's taking a more active part in the affairs of that organization. I think that is sheer dilly-dallying. I am convinced we should be getting into the organization of American states, not just sitting back and watching what is taking place but carrying our own responsibility. How can we offer to be a good neighbour if we are not willing to show at least a neighbourly attitude? After all, the cost of friendship is friendliness. We do not show friendliness if we simply sit back in an armchair waiting for a more convenient time to take action.

As we sit here in Ottawa tonight it is worth remembering that Cuba, the West Indies and Central America are all closer to us than many of the extremities of our own nation. It is also worth remembering that in defiance of the Monroe doctrine which has kept American shores free from outside interference for a century and a half, Cuba is now a satellite of the Soviet union, pro-communist fronts are strong in most of the Latin American republics, and the United States alliance for progress has yet to get off the ground. I noticed a news report today which indicated that Haiti had been infiltrated by Cuban agents, and that it will not be long before there is more serious trouble in that country. We all know what is happening in British Guiana, in Venezuela, Bolivia, Colombia and Peru. In these circumstances we should not be waiting for the lid to blow off the kettle; we should be trying to do something about the situation while there is time. We, in Canada, cannot bury our heads in the sand and pretend these problems do not exist.

It was good to hear the minister say last week there would be increased aid to some of these countries and that the Caribbean islands, in particular, are to receive increased help. Here we have a group of islands whose whole affection looks toward Canada. These islanders expect Canada to do something to help them. I know this very well, because I am intimately acquainted with the area. Yet we have made such a little effort. We could, in fact, go in with a reasonable amount of assistance—something which we are completely capable of—and make a total effort which would leave its impact and achieve some results.

It is true, of course, that the amount of money poured into an area is not the only criterion of assistance. One of the greatest paradoxes in this postwar world is that the billions and billions of dollars of gift money from the United States has in so many instances failed to win friends or influence people. All too often it has caused suspicion and many times enmity. We do not have to sit back and think that, because we do not have the billions of dollars to give away, there is no other way to indicate friendship and demonstrate our intentions to be of assistance. In one important respect I believe we are in a position to help more than the United States, and that is in the realm of people. Canada with its strong and valued French Canadian background has people of Latin background, but yet who have the experience of our modern form of government and productive techniques who could be immensely helpful in making this concept of an alliance for progress work in the Latin American countries.

I have been greatly impressed by news reports in the last few days concerning a group of 70 Latin Americans now in Canada with a production called "El Condor", the story of how communist activities in the universities of Peru were beaten down by a new concept on the part of students who were looking for something but who before could not find it. Here we have Latin Americans coming to Canada and trying to help us in our problems. How much more could our own French Canadian people be spearheading the attack as far as friendship and development is concerned in the Latin American world. The Latin American situation is serious and is growing progressively worse. I believe the government would be failing to carry out its mandate if it did not take a greater part in the development of intercourse with Latin America immediately, not at some time in the future.

The second direction in which I would wish to turn our thoughts is to the commonwealth. I should like to congratulate the minister on the steps he has taken to stress the importance of this body in the security council of the United Nations. I should like

to join with others who have commented on the value of the commonwealth in this day and age. I do not think the commonwealth of nations is something to be placed in the same category as the British empire, because I believe that if this community of nations, not tied together by treaties or formal bonds, yet having a greater base for understanding and unity than any group of nations, could get into high gear on the economic front and in friendly diplomacy, it could have a tremendous role to play in current affairs at this time.

We live in an age of machines and mechanical organizations. Many of our international institutions such as the United Nations and subsidiary bodies reflect this thought. Often enough we forget the power of something which has not been manufactured but which has grown, the power of something that is an organism, not just an organization. We forget that a concrete sidewalk can be cracked by a mushroom growing underneath it, as well as by a compressed air drill. We seem to be at a loss, not knowing how to organize the commonwealth in order to get results.

The point is that the commonwealth, however, is already here in that it is a living institution and as such does not need organizing. What it does need is to be set a task. Let it recognize its task, and as the experience of wartime has proven, every part will respond to meet the challenge as a whole. I have been in practically all of the countries of the commonwealth, if not all of them, and I have found that bond of affection and understanding which is difficult to explain. But it is that something which stands as one of our great potentials. In the commonwealth there are 700 million people. If we take both the developed parts and the undeveloped parts of the commonwealth we have, on the one hand, one of the greatest sources of productivity giving the things people need to live on, and on the other hand one of the greatest market areas in the world.

Therefore I suggest that we might use the commonwealth to this advantage. We do not need elaborate conferences; all we need is common thinking among commonwealth nations about the problems of ignorance, poverty, hunger and disease that plague the less developed nations of this world, and perhaps a common agreement to allocate different spheres of responsibility for foreign aid and assistance between the commonwealth nations.

To do this it is said that we need money. How can we trade if we do not have money? If there were 100 cattle in a field without pasture, and there was another field across the road where there was good pasture but no cattle, it would not take too long for the two farmers to get together for their mutual benefit. There is no reason at all why such a policy could not effectively be put to work in our commonwealth of nations. This could reach out to other friendly nations as well, because in this commonwealth of nations the friendship that forms its basic foundation along with a democratic form of government common to most, would immediately include other friendly nations of similar background, once they saw this thing begin to work. I believe we can work out between ourselves common policies of economic self-help, common exchange policies which can greatly help the trade difficulties of commonwealth nations and supply the goods and services we need.

At the Ottawa conference of 1932 the foundations of the preferential tariff arrangements were laid which made the commonwealth a great trading entity. I feel that Ottawa in 1963 could have some very useful things to say about international exchange arrangements and the supply of raw materials between member nations. It would be a tremendous thing for the secretary of state, one of the most sound actions he could take, if he took the initiative to bring together another commonwealth conference in Ottawa. It would prove that the commonwealth could be something of an international force, not to the exclusion of other states but as an example to the rest of the world. Economic considerations led Britain to wish to abandon the commonwealth for the sake of the common market area. At the same time, Britain is the heart and centre of 700 million people with the richest endowment of natural resources of any trading bloc in the world. I say that something must be wrong with our understanding of the commonwealth and its potential when this happens. I do not think we should be content to see Britain slough off her commonwealth connections so lightly. And she would not if our attitude were different. Only a few months ago a senior official in the British government said to me: "If we could be convinced that Canada would take the lead in doing something to make the commonwealth work, we would be the first to swing in behind her". I think that was meant very seriously. I believe he was thinking back to the days when Britain did make such an offer towards the development of a commonwealth free trade area, but we in Canada turned our backs on it.

Third, I should like to spend a few moments on Canada's relationship with the communist countries. I believe our government deserves praise for its part in promoting the test ban treaty signed in Moscow in August of this

year. Perhaps it was not such a very big thing, but it at least moves us toward the objective which I think all sane people in the world want, which certainly we in Canada want, namely peace. I believe we could take the lead and when there is a crack in the wall which divides the world Canada should be the first to put her hands through. Everything we can do to continue discussion and negotiation is commendable, and certainly this test ban treaty must be included in that classification. Provided adequate safeguards can be assured, world disarmament one step at a time seems the only hope for the world's future.

This past year has seen a great increase in our trading relationships with the Soviet union. Within limits this has been most useful to our economy, but there are two matters that I think are worth mentioning in this regard. The first is that we have not yet devised any adequate method of two way trade between communist countries and Canada, and trade to have any permanent effect or usefulness must be a two way agreement. Therefore, although our agricultural industry is happy that we have found a useful market for our wheat, the problem remains of the economic consequence of what imports might do in return. No nation—certainly Canada cannot—can expect to continue trading where there is no two way opportunity to make that trade effective and permanent.

Second, we must be sure that we are not simply providing the raw materials with which communist countries are buying influence, through re-export, directly or indirectly, to other nations of the world and in many cases to people who want to stay with us in the friendly neighbourhood of western nations dedicated to free government and free opportunity for human beings. Trade cannot be divorced from its political effects, and while one aspect of our economy benefits; what is going to happen to the other aspects of our economy if we cannot develop a logical two way trade pattern? Let us be careful that the trade we carry on with our communist neighbours is not trade that we should have carried on directly with the underdeveloped nations of the world.

The Secretary of State for External Affairs has mentioned the possibility of recognition of red China. I believe that no nation in the world should be excluded from the negotiating table, if it is possible for it to be included. But I remember the incidents that led to my going to Africa in the first place. It was because a stronger nation had invaded a smaller nation, raped that country, obliterated its educated people and wiped out without mercy those who wanted to retain their free way of living. Some in this house tonight were at the league of nations when this matter came to a head in 1934, 1935 and 1936, and to the shame of the western countries we turned our backs on the little country of Ethiopia. Yes, it was only a country of 15 million or 20 million people who were not very well educated, who had not made any mark upon the world, who did not carry any influence in world affairs. But we turned our backs on these people and it remains, and will remain as long as history is written, a black mark for the western world.

As long as the recognition of red China means the obliteration of 11 million people who want to live in freedom on the island of Taiwan, then that recognition cannot be justified. As soon as red China will recognize a two China policy, it seems to me it will then be for the betterment of the world that red China be admitted to the conference tables. As we have watched red China in recent months it is apparent she is determined by whatever means to go out and accomplish her objective.

I think it should be indicative to us of what the true face of communism is, at a time when there is sorrow over the death of President Kennedy, a sorrow shared in most of the countries of the world. Communist China has taken this particular occasion to let loose a new tirade of abuse against the United States of America. The saying is that "he must have a long spoon who would sup with the devil". As the government invites communist nations to our dinner table, let us be a little careful that we do not get hurt. No matter how Mr. Khrushchev may smile, Marxism as it is expressed in communism remains a creed that believes in revolution and the overthrow of democratic government, and "dialectic" is best translated from the vocabulary of communism into common English by the slang expression "doublecross".

Finally, I should like to look at what I believe is one of our major opportunities and responsibilities in this ever shrinking world, the emerging nations. These include the new nations of Africa, also being courted at this time by the Soviet union, and some commonwealth and Latin America countries as well. I know the eastern horn of Africa very well. I have travelled in almost every area there. I have been greatly disturbed by the fact that this same Khrushchev, who pretends peace to us at the present time and has adopted a new attitude of peaceful coexistence, has been successful in making the Somali republic the arsenal and jumping off point for Soviet aims and ambitions in the continent of Africa.

We must be concerned with these emerging countries the world over. This is a difficult

time for both us and them. The era of colonialism is ended. Yet colonialism had its purpose. It brought law and order, it trained primitive peoples, it brought education and the chance of a higher way of life to the areas that it administered. The need for the benefits that colonialism brought still remains. Yet no longer can they be imposed by force. They must be given in good will. This is something that is very difficult indeed for many of the former imperial powers to do, even though they want to do it. On the other hand, it is something that we Canadians, citizens of a nation that was once a colony, certainly can and should be doing. Again, the contribution that we can make is not just in the form of money and materials. I believe that the contribution that we can make in the form, for instance, of technical assistance and education is very large indeed.

**The Deputy Chairman:** Order. I apologize for interrupting the hon. gentleman but the time allotted to him has expired.

**Some hon. Members:** Go on.

**Mr. Thompson:** Thank you very much. I will hasten to bring my remarks to a close quickly. This is so, whether it is a matter of Canada sending educationists abroad or accepting increasing numbers of foreign students here. In this way we can render a very definite service. During the supper hour tonight I was speaking on the telephone to a man who knows the West Indies area of the Caribbean very well. He was talking about a Canadian who went to one of the islands in the Caribbean as a teacher training director, and said that he had reports from at least a dozen people about the wonderful job this man was doing, not just in his classes in training teachers but as a good will ambassador of what Canada represents and what Canada wants to be.

I am reminded of the newly created organization that had its birth in the capital city of Ethiopia, Addis Ababa, only a few months ago. It was through the efforts of Emperor Haile Selassié, who was in our midst only a few weeks ago, that this organization came into being. I do not think we in Canada have any idea whatsoever of the important part this organization can play in the peaceful development of Africa. When the crisis developed between Algeria and Morocco a few weeks ago we saw this organization play its part in bringing peace to a troubled area, not through the influence of foreigners but through the influence of Africans themselves.

I look back on my own experience in Africa. I think one of the most fruitful aspects of the years I spent over there was not so much what I did there but the fact that I was able to direct to Canada a large number of students who are now trained and qualified and are taking their place in their own countries. One of these men was the key man at the peacemakers' table a few weeks ago in the dispute between Morocco and Algeria.

In this connection, there are several matters I wish to raise. First of all, I hope it will be possible for the government to provide increased funds to enable Canadian students, young people, to travel overseas for service there. It does not take a great deal of money for this project. The cost of paying one's way on such a mission is, for students, frequently prohibitive; yet these people are here and willing to go. The good will that can be spread by such ambassadors at the local level is incalculable. I suggest the government consider allotting a portion of its increase in external aid funds for this purpose.

The second matter has to do with the bringing of foreign students to Canadian educational institutions. This does not involve thousands of students, because it is far more practical to educate African students in Africa if the educational facilities are available. In many countries in Africa and Latin America, as well as other developing areas of the world, there are not sufficient educational institutions, at least not in the field of higher learning. Canada has had a highly successful program in this field, with a very low failure rate. The program was initiated by the Department of Trade and Commerce some 13 years ago and now it is handled through external aid in the Department of External Affairs. Perhaps that is where it belongs. Some 600 students per year are now under instruction in Canadian educational institutions today, many of them through private aid, but the program is obviously capable of generating great good will and being of immense help to the countries concerned. Certainly, we can accommodate not just 600 but 6,000 if this were made financially possible.

At the present time, however, this program under the Department of External Affairs appears to be restricting the number of applicants because of a shortage of personnel at the administrative level in the department itself, and this in spite of the recommendation of the organization and classification branch of the civil service commission in September, 1959 and again in April, 1960. At the executive level, in the same service, we appear to have the odd sight of two directors of technical assistance sitting in the same chair with the same qualifications and duties; both, one presumes, drawing substantial salaries and both, one also presumes, getting in each other's way. I believe the minister could well look into this matter to see if this program, which is capable of such good

service, could be put into more shipshape order as more funds are made available.

I should like to mention another point in this regard, and it is simply expressed in the statement that the greatest enemy of peace today in the world, in my opinion, is hunger. We, in Canada, could well be the food basket of the world. Somehow, and soon, it is imperative that we direct our own trade policies in such a way that we can go out and make these tremendous reserves of food potential for those who are dying because they do not have them today. Then, we should back that up with our technical know-how in order to assist these people to raise more food in their own countries. The communist countries are in trouble because, under that system, they cannot increase their production sufficiently to meet the demands of their own people. This proves to us that the centralization of authority in government is certainly not the answer to all our problems. On the other hand we, in the private enterprise system, boast that we can produce all we need and much more, but at the same time we fail because we do not have the means of distribution. What is the end result going to be, if the failure of communists on one hand and the capitalists on the other ends in a dead heat, one because they cannot produce and the other because they cannot distribute? Then, what kind of world are we going to have when both have failed? This is something about which we ought to be thinking.

There is one more point in this regard, and that is that behind all these programs for aid and assistance there must be a sincere attitude of friendship and a willingness to help people less fortunate than ourselves. As I mentioned before, the price of friendship is friendliness. If we cannot be motivated by the desire to help others, then none of these things will be of much use. This is a responsibility not only of the people out in commerce, not only of the people in our educational institutions and in our professions but of politicians as well. If we were more concerned about it, then perhaps the seats in this house would be better filled than it is at the present time.

External affairs is not a subject that can be treated in a vacuum. Almost inevitably, it spills over into matters of trade and defence, and well it should. Nevertheless it is one of the most important areas of government, as we look at Canada's place on the world scene. I hope that the remarks I have made will give the government some thoughts from outside of itself as to the policies Canada should be following in this rapidly changing international situation. Certainly none of these things about which we talk in connection with external affairs could come to pass in any effective way until our defence policies, our trade policies and our external affairs policies move in a parallel direction towards a common objective. I urge the Secretary of State for External Affairs, as one who has a greater opportunity than any Canadian today, not through just suave words or voluminous words, but to do something, bring about action to get the attention not only of Canadians but also of the people of the world.

I am reminded of a little story that I came across just a few months ago. Perhaps just to sum this whole thing up about which we are talking in connection with external affairs, I might share it with you. A father cut up a map of the world to make a jig-saw puzzle for his son. He was very surprised at the speed with which his son completed the puzzle. He asked his son how he did this and the reply was that there was a man on the back of the jig saw puzzle. He said, "I put the man straight and the world came out right".

[*Translation*]

**Mr. Rondeau:** Mr. Chairman, this afternoon we heard the Secretary of State for External Affairs (Mr. Martin) express his views on the foreign policy of Canada and on the part played by his departmental estimates in this regard.

I listened to him very closely and what struck me—and, I suppose, several other members—was the expression of his good intentions. But even though he gave us to understand that he was well intentioned, we must consider the estimates which will be made available to him.

From a financial point of view, the estimates of the Department of External Affairs are 17 times less than those of the Department of National Defence. I feel that this is minimizing somewhat the part that our Department of External Affairs must play in the world. Nobody denies that Canada must play a very important part in the world.

In fact, those who have had the opportunity to go abroad and meet other parliamentarians, to discuss with them, in short to get acquainted with their economic, political and social problems, have realized that most of them consider Canada as a young and rich country which at the present time enjoys a fine reputation.

Mr. Chairman, during a recent trip to Paris, I noted that all the member countries of NATO, except Canada, had their flags flying in front of the NATO international office. And yet our country, which will soon be celebrating its centennial and has an important part to play on the international scene, cannot do

likewise for obvious reasons. Even if Canada is a young country, it still remains that it is one hundred years old and that it has a most important role to play in international affairs.

In fact, it is not so much population that counts but the expanse of territory. Vancouver is further removed from Halifax than Paris or Germany are from Canada. Our country has a population of 18 million whereas Belgium which is only 150 square miles in area, has 9 million inhabitants, that is about half our population.

What conclusion can one draw from those facts, Mr. Chairman? The conclusion that Canada is a young and vast country which should set for the world an example of peace and prosperity.

Mr. Chairman, it would be beneficial if the Secretary of State for External Affairs could represent Canada as a country which has everything and which at the same time is a prosperous one, for if we take into account the number of unemployed in this country, the people of other countries cannot help but think that Canada is not so prosperous after all.

Mr. Chairman, I believe that we should first review our national monetary policy, in order to give the example to the other countries of the world which are now seeking solutions to the problem of surpluses, while others try to solve that of hunger.

Some time ago, we welcomed the news that an agreement had been signed on the suspension of nuclear tests.

I have here the report tabled by our previous secretary of state for external affairs at the United Nations. At page 8 of that report, he said that nuclear tests were most dangerous from a health point of view.

The second complete report of the United Nations scientific committee on the effects of atomic radiation is quite clear on that point when it says:

> Since there are no other effective methods to prevent the harmful effects of the spread of radioactive contamination caused by nuclear explosions, the permanent suspension of nuclear tests would be beneficial to present and future human generations.

That is what the request for investigation by the secretary general of the United Nations implies.

It is, on the other hand, unfortunate that this country should have included nuclear arms in its national defence policy. Canada might have played a peaceful and prosperous part among the countries of the world.

Let us take a look at Switzerland: there we have a country which has always remained aloof from war, which never had to rebuild what it had built before; anyway, when visiting countries which have been devastated by war, a very different situation can be seen. We may, therefore, conclude that those things are hardly helpful.

I think the Secretary of State for External Affairs should dispose of the tremendous sums which were to be appropriated for nuclear arms, to enable him to carry out all the good intentions expressed this afternoon, because there is no lack of good intentions, but of the necessary funds to carry them out.

We favour disarmament, which normally should result from an agreement to abandon nuclear tests, in the publication *External Affairs*, of September 1962, I read, on page 269, the following, under the title "Economic and social consequences of disarmament":

> A report on the economic and social consequences of disarmament was published by the United Nations Organization in February 1962. It had been prepared by an advisory group appointed by the secretary general, following a resolution moved by Pakistan, which was carried on December 15, 1960, and this report will be discussed at the seventeenth session of the general assembly.
>
> The advisory group was made up of experts coming from the following countries: United States, France, Great Britain, India, Pakistan, Poland, Sudan, Czechoslovakia, U.S.S.R. and Venezuela. Chosen by the secretary general, the experts submitted their suggestions in their own name. The advisory group held two meetings, the first one in Geneva, in August 1961, and the second, in the U.N. building, in New York, from January 23 to February 16 of the current year.

Here is the unanimous conclusion reached by the group:

> The achievement of a general and complete disarmament would be an incommensurate blessing for the whole human race.

You can see that group decided in favour of disarmament after the signing of the test ban treaty.

In the same article, it is said a little further:

> It is estimated that the world spends about $120 billion yearly for military purposes at the present time. That amount represents at least two thirds of the total national revenues in all underdeveloped countries. About 85 per cent of this total is spent by seven countries: U.S.S.R., United States, Great Britain, France, German Federal Republic, Chinese People's Republic and Canada.

Canada is among the seven countries that spend most for military purposes.

To go further than the previous speakers, may I add that Canada should restrict herself to a pacific part and show the whole world that despite her small population in relation to her territory, she is really prosperous and able to help underdeveloped countries of South America, by maintaining trade relations with them, while correcting her unfavourable trade balance.

Canada ought to set an example for mankind, which is looking for peace in the world and prosperity for all nations.

[*Text*]

**Mr. Matheson:** Mr. Chairman, a few weeks ago the Hon. Adlai Stevenson, addressing a United Nations day rally in Dallas memorial stadium was booed, spat upon, and hit on the head with a couple of card placards saying "Down with the United Nations." At that meeting he gave a carefully prepared address, but this important figure of the United Nations and of the United States, who to some extent has represented America to the world, was harassed and attacked by people who were against the idea of international involvement. Of course, during these last few days we have had in our minds the memory of a president who epitomized to the world the good, world citizen. President Kennedy, in his inaugural address on January 21, 1961, said:

> My fellow citizens of the world: Ask not what America will do for you, but what together we can do for the freedom of man.
>
> Finally, whether you are the citizens of America or citizens of the world, ask of us here the same high standards of strength and sacrifice which we ask of you.

We in Canada, responding to this challenge, should think right now of our relationship with the rest of the world. During the last six months, Mr. Chairman, it has been my privilege to be in 11 countries. I believe, as speakers before me have indicated, that there is perhaps no people in the world with more opportunity to participate fully and generously in world events. Of necessity, those speeches that have preceded mine have tended to be general in character, covering the wide scene. I would like to limit myself, in the time that is available, to one particular aspect of external affairs. I am referring to foreign aid. A few weeks ago I was in Skoplje. I had an opportunity to see first hand most of the devastated streets of that city. I believe I am correct in saying that over 16,000 people were then living in tents. Skoplje, an ancient Macedonian city that goes back several hundred years before Christ and represents an ancient and honourable civilization in that part of the world, would have been fractured and shattered for all time except for a process of great international assistance. The most important resolution passed by the 52nd interparliamentary conference, which took place in Belgrade, was one wherein every delegate of the 60 nations represented, both iron curtain and free countries, resolved to go back to their parliaments and recommend that substantial international aid be given for the reconstruction of Skoplje.

I do not want to dwell on this subject at any length, but I hope the Secretary of State for External Affairs, who I know has been concerned about this matter, will regard this as a great opportunity for Canada to make a significant and permanent contribution to an ancient and proud city that has known something of the ravages of the Turks, the Byzantians, the Romans and the Huns. There is one country in the world that might exercise some sort of pressure on Yugoslavia, and that is the Soviet union. Notwithstanding their ideological sympathies, the Yugoslavs tend to look to countries outside and beyond the Soviet union for the kind of understanding they are not likely to find in their own local environment. I think this is a unique opportunity for Canada to make herself known there, and a contribution of perhaps $2 million—if I might suggest that figure—for some kind of permanent building that would always have the name "Canada" upon it would be the sort of thing that honourably would bear our image for ever in that part of the world.

May I pass on to an aspect of foreign aid that I think is even more important in the long run. I have been interested for some time in precisely what Canada has been doing in the area of foreign aid. I have placed on the order paper a number of questions on this matter and have received from the ministry a number of answers. At page 1486 of *Hansard* for June 24 last there is an answer from the department with respect to Canada's contribution in external aid expressed as a percentage of Canada's gross national product. I might point out to the committee that in the year 1960 it was .20 per cent; in 1962 it was down to .18 per cent. Perhaps one would not be able to judge what this means unless it were compared with the contribution of other countries. On October 14, 1963, I put another question on the order paper which asked the extent of our contribution in comparison with the countries of NATO Europe, and NATO North America. I should like to put the answer on the record. This is based on the gross national product of each country during the year 1961: Belgium .86 per cent; Canada .19 per cent; Denmark .12 per cent; France 1.70 per cent; Germany .83 per cent; Italy .21 per cent; Japan .48 per cent; the Netherlands .62 per cent; Norway .21 per cent; Portugal 1.24 per cent; the United Kingdom .66 per cent; the United States .73 per cent. Then, expressing the same thing in another way, on November 13, 1963, I received an answer with respect to aid to development.

The answer of November 13, 1963 told us what in the last year of record was the per capita contribution in foreign aid to underdeveloped countries from members of the organization for economic co-operation and

development. These figures show aid for development expressed in American dollars. They relate to the year 1962: France $20.93—that is per person; the United States of America $19.17; Germany—that is, the federal republic—$7.75; the United Kingdom $7.80; Canada $2.66. Mr. Chairman, the *Globe and Mail* of October 7, 1963 says:

> Canada is still one of the black sheep of the western world in the proportion of national wealth devoted to foreign aid. Even on the most favourable basis of calculation, we are channelling into aid programs only about one third of 1 per cent of our gross national product, or approximately $135 million a year. Of the 20 countries in the organization for economic co-operation and development, only Denmark rates lower than Canada in the provision of aid.

They conclude their editorial comment by saying:

> Mr. Martin should fight hard the good fight for increased foreign aid in the knowledge that he has public opinion behind him.

I feel, with great sincerity, that this is one area at which we must take a very close look.

**Mr. Churchill:** Mr. Chairman, would the hon. member permit a question?

**Mr. Matheson:** Of course.

**Mr. Churchill:** Is the basis of comparison the same?

**Mr. Matheson:** No. I am sure that is a very proper and appropriate comment, Mr. Chairman. I have had an assurance from the Secretary of State for External Affairs that some countries are taking advantage of other kinds of contribution which we, in our circumstances, do not include.

**Mr. Aiken:** Portugal, for example.

**Mr. Matheson:** Yes, and France. But, no matter on what basis we make the comparison, our contribution is not nearly good enough. I have put similar questions on the order paper relating to defence, because I am one of those who feel very strongly that the contribution we make to our alliances is something that runs parallel, to some extent, to the matter of foreign aid. We are not even making a very substantial contribution in the matter of defence, in comparison with some of our more important allies. I think this is of critical importance. May I, though, address these remarks to an area in which I think we could make a very sizeable and important contribution. When one considers the conclusions reached by Barbara Ward and others who have studied this subject over the years, it is evident that a great many of these foreign aid programs are not achieving the results intended. The population explosion in some countries is such that no matter what is done by way of foreign aid little can be accomplished to bring large benefit to the people. Perhaps other means will have to be adopted to accumulate capital so that people may move to a higher plateau of progress. Certainly, there are other areas where great work can be accomplished if there is concentration. Barbara Ward says:

> For three hundred years the white race has enjoyed a dominant position in the world. Its members were able to stamp their prejudices across the face of the globe because they were, in fact, on top.

When we think of the recent tragic happenings in Dallas and of other unfortunate incidents to which reference has been made by distinguished members of this house it occurs to me that perhaps Canada has a moral responsibility as well as a political interest in becoming involved in these great racial problems of the world. Where would it be possible to do this? Many who are authorities on this subject say the one place in the world where we could hope to make the greatest contribution is in the Caribbean area.

**Mr. Byrne:** Would the hon. member permit a question? Does he not know that while he was away attending a conference we did increase our foreign aid by $70 million?

**Mr. Matheson:** I was happy to read that. I read that, I think, in two foreign newspapers.

May I refer to a comment by Dr. Doris Johnson. She says:

> Canada is missing out in the Caribbean. This country ought to be in the forefront in providing aid for the Caribbean area. Russia has been very active assisting underdeveloped countries and I would like to see Canada's Colombo plan extended to cover educational improvements in this hemisphere.

I am aware of what Canada is doing in respect to the Colombo plan. With respect to the West Indies assistance program, the ministry has been good enough to supply answers in detail with respect to people, places and work done. I am aware of what is being done with respect to the special commonwealth Africa aid program, the commonwealth technical assistance program, the program of educational assistance for independent French speaking African states, and, in a slightly different category, the commonwealth scholarship and fellowship program. But there is one area which would respond more rapidly than any other to a sharp increase in our aid program, and that is the Caribbean. I believe there is a necessity for Canada to bring about a special relationship with our commonwealth neighbours in the West Indies, an association which would be as close and as helpful as any kind of political union. I am not talking about federation. I am talking about involvement—about intimate personal

engagement in the Caribbean area. This is one of the most volatile parts of the world. Taking the long view, it is an area where we could do most to prevent disorder in the future, in addition to the more important object of uplifting mankind.

We believe poverty is obsolete. We believe a country as wealthy as our own, with a population of 20 million people, could look to our friends in that part of the world and, without being patronizing or superior, make a substantial and important contribution to their welfare. I believe Canada should make a determined, all-out, concentrated effort in the field of education and technical assistance in the Caribbean. The West Indies should be our show window, the place where we test out and demonstrate to ourselves and others our faith and good intentions towards all the peoples of the world.

It can be contended, as many columnists suggest, that the correct way to participate in foreign aid programs is by concentration. We have made mistakes in Canada in the past; in defence, for example, by developing certain types of weapons and not seeing that development through to completion. They were good ideas but we did not go at them hard enough. I am suggesting we should really go as far as may be necessary, not on the basis of planning one, two or three years ahead but in terms of a decade of development. There is a strong case to be made out in favour of specialization. Men with broad experience, men such as Paul Hoffman of the United Nations special fund, Eugene Black of the world bank and our own Nik Cavell have told us that there should be at least a few demonstrations of concentrated efforts of aid.

I am not unmindful of the fact that in the past we have been interested in multilateral programs and that we are still interested in these programs, many of which are connected with agencies of the United Nations. At the same time, there must be special bilateral arrangements with respect to aid. These are our brothers, our commonwealth friends, and if there is any people to whom they may reasonably look for close association and friendship, it is surely to the people of Canada. Each impact we can make will reinforce the effect of the rest. What we need is a new approach with respect to education and investment, new means of production and technical assistance at all levels. I am trying to be specific because it seems to me we have heard the leaders of our parties dealing with the subject only in general terms. Whether or not there is such a thing as an "ugly Canadian" I do not know, but it is clear that with respect to the Caribbean we are not "ugly Canadians". These people are ready for development to take place. Many of them are highly educated. Many of them have been educated in the United Kingdom and others are graduates of our own schools and colleges. Economists like W. W. Rostow, who was one of the late President Kennedy's chief policy advisers, and Arthur Lewis, a West Indian who has been Paul Hoffman's right hand man, have described the factors which tell whether a people is ready or not for development. Nearly all the qualifications they mention in their theoretical studies can be found in concentration in various parts of the West Indies.

Our country and the West Indies are bound together by close historical and trading associations. May I touch on the question of self-interest? The Caribbean area is one where we have a strong mutual trading interest and advantage. I do not think we need always think in Canada in terms of a cash contribution. I believe—and I throw this out as a suggestion to the Secretary of State for External Affairs—that we could make a most valuable contribution based upon the elite federal services we have—the wealth of experience and advice at the government's disposal in the fields of fisheries, oceanography, mines and technical surveys, finance, trade and commerce, health and welfare, and so on. We have built up this knowledge and expertise over the hundred years of our history and all this accumulated skill which is now available to us could be placed at the disposal of our friends in the Caribbean. Some of our experts could, for example, be given leave—six months a year, so that they could put some of their talents to use in the Caribbean area where they are greatly needed.

What about strategic considerations? Well, here is a part of the world which is bounded by revolution, disease, and hunger. Some of those who spoke before me talked about the organization of American states and the complex political and economic conditions underlying that organization. I do not think there is an area closer to us, or one which calls for more immediate consideration, than the area of which I have been speaking. This could become a splendid economic, social and political laboratory. Dr. Philip Sherlock, principal of the University of the West Indies said: "The people of the West Indies come in every colour except blue". In these wonderful islands, so close to us, we find Asiatics, Caucasians, Negroes and every type of mankind. Let us dare to get involved. It is not as if it would introduce into our country the serious problems which would result from integration, or such as have preoccupied those unfortunate people in Dallas, Texas. Would it take too much imagination to believe that in

this mechanistic age we could fly employees of Canadian factories, who could go off for three weeks in a year, perhaps, and spend some time in the Windward isles or in the Leeward isles or down in some of those obscure and beautiful and not too expensive places?

I know several universities in Canada which have been enriched by the addition of Caribbean students. Some of our greatest athletes who have competed in the Olympics have come from the Caribbean. Harry Belafonte, for whom I have much admiration, says in the *United Church Observer* for November of this year:

> The struggle of the Negro people in America today is part of a very much larger struggle. The dignity and integrity of the whole human race, especially of the colored peoples all over the earth, are involved. Nothing is more gratifying than to come to a place like Canada which has had historical association with the struggle of the Negro people in America. From early days of the abolition of slavery, over many years, you have shown support for the struggle of the Negro people of America.

This is not an embittered man, but one who has known great success. He continues:

> It is true that you are removed from the vicious faces of the white supremist forces that exist in America; it is true that your children are not being whipped in the streets with hoses. It is true that your children are not being put into the segregated and vicious prisons of the south to be beaten; it is true that lynchings are not directly a part of the Canadian scene. But I dare to say that human right and human responsibility is as much yours as it is ours.

There are many subjects one could touch on in the field of external affairs, but there is still a little time available and many people wish to contribute to the debate. It is a fact, as one of my distinguished predecessors tonight has said, that at the moment there is an appalling imbalance between what the world is contributing to defence and what it is contributing to foreign aid and social and economic improvements of underdeveloped people. I am not suggesting that our contribution to defence is too high. Indeed, I earnestly wonder whether we are pulling our full weight in that direction. But certainly in the direction of foreign aid there is no question but that we have been very much on the low side and we must make substantial and important changes for the future.

I should like to conclude with the final paragraph of the last speech President Kennedy prepared only a few days ago. He said:

> We ask, therefore, that we may be worthy of our power and responsibility—that we may exercise our strength with wisdom and restraint—and that we may achieve for our time and for all time the ancient vision of peace on earth, goodwill towards men. That must always be our goal—and the righteousness of our cause must always underlie our strength.

[Mr. Matheson.]

That is not a matter on which there is any division in this house. In every political party there are people who have made noteworthy contributions in the discussions of external affairs; some, indeed, have spoken today. I know that my political leader is a man who believes mightily in this cause, and now is the time to get down to specifics and prove this in a noble and grand way.

**Mr. Nesbitt:** Mr. Chairman, it is rather a pity that the original plan of having the defence estimates discussed tomorrow is not to be carried out, because the estimates of the Department of External Affairs and the estimates of the Department of National Defence are, by their very nature, intimately related. After all, defence policy is really dependent on foreign policy, and for this reason changes in one affect the other. Recently we have noticed certain changes of policy in the Department of National Defence, such as the scrapping of the frigate program. There has been a great deal of talk in the press and other authoritative sources that further extensive cuts in defence equipment are being contemplated. This can only indicate one thing, and that is that our foreign policy, presumably in the field of NATO, is going to be altered as well. However, more of that in a moment.

As the Secretary of State for External Affairs pointed out very well, apart from the general objectives of peace and good relations with other countries of the world, and of course protecting our national sovereignty, our foreign policy is based on four cornerstones—our relationship with NATO, with the United Nations, with the commonwealth, and our special relationship with the United States of America.

First, with respect to NATO. Year by year we have heard that a crisis exists in NATO. This year is no exception. Year by year the need of Canada for the North Atlantic treaty alliance has proven to be inescapable. NATO is Canada's principal alliance. Indeed, it is the principal alliance of all its members, including the United States, and for 15 years NATO has proven to be the shield of the west.

What is the nature of the present crisis? The London *Economist* for November 9 last said that basically the present crisis of confidence inside the alliance stems from a whispering campaign in France and in Germany against the willingness of the United States to shoulder a burden in the alliance commensurate with its power. The same magazine goes on to say that it is nonsense to imagine that the United States, because of its own difficulties or because of dissatisfaction with its allies, is going to pull out.

No United States speech in recent times was awaited with greater interest and read

with greater care by the allies of the United States than yesterday's speech to congress by President Johnson. That speech contained the general affirmation of the United States to "keep its commitments". Naturally the new president concerned himself immediately with domestic affairs. He dislikes NATO, but this omission cannot be given undue significance. There are voices in the United States, notably that of Senator Goldwater, that argue for building American strength at home rather than abroad. The members of NATO must think constantly about the provision and deployment of the armed forces at the service of the alliance. Canada has honoured her NATO commitments in the past and we hope Canada will continue to honour them in the future.

As I have already mentioned, the scrapping of the frigate program and certain other information we read in the press, which one cannot help but feel may have come from authoritative sources, leads one to wonder whether our commitments in this regard are going to be carried out. The planning of military requirements must be a task undertaken jointly by all members of the alliance. This is not something imposed upon the alliance by one or two members. Last May when NATO met in Ottawa the task assigned to the permanent organization in Paris was to study NATO's requirements and the sources available. This task has not, as yet, been completed.

I see the Minister of National Defence has now returned to the house. He addressed the Empire club in Toronto today and spoke on the subject of military strategy. This statement, I understand, was part of his speech, referring to the NATO ministerial meeting which we had here last May, in which he said that they would recall the decision taken, that the council undertake a comprehensive review of the interrelated questions of strategy, forces requirements and the resources available to meet them, in order to achieve a satisfactory balance between nuclear and conventional arms.

This is a very far reaching, sweeping program. Its implications, indeed ramifications, affect the whole scope and structure of western military capacity. Yet I recall, Mr. Chairman, that this happened at the NATO meeting at which, according to hon. gentlemen opposite, nothing was to be decided. This review to which I referred a moment ago was one for which we should have waited before bringing nuclear weapons on to Canadian soil. The result now seems to be that military policy is in some sort of nuclear strait-jacket, with all the eggs in one basket, so to speak. I suppose this may be why the frigates were cancelled. We could not afford both.

The next cornerstone of our foreign policy to which the Secretary of State for External Affairs referred is the United Nations. I should like to say immediately that I had the pleasure of visiting the United Nations recently as an observer for a while and having conversations with a number of the delegates there. What I heard there certainly indicated to me that the acquiring by Canada of nuclear warheads for the Bomarcs did not do this country a great deal of good, so far as the United Nations is concerned.

Nothing has been said publicly about this matter, at least not when I was there, but one certainly heard about it privately. It is the old story, that fitting nuclear warheads on the Bomarcs, considering what use they may be and their purpose, something like bows and arrows in the military context, was of very dubious value and was far outweighed by the loss of our influence at the United Nations in certain circumstances. It was said to me, "I see your government has now joined the nuclear club", and regardless of how one might argue that we really had not joined the nuclear club, that is what people elsewhere believe.

Another point about the United Nations to which the Secretary of State for External Affairs has referred has to do with peacekeeping machinery. The Prime Minister also dealt with this in his address to the United Nations. This is a very excellent thing and something that I think we are all in favour of. As was suggested by the Secretary of State for External Affairs in his remarks this afternoon, plans are at present in the state of formulation as to what type of peacekeeping machinery we might have.

There are some suggestions I should like to make on the basis of my experience at the United Nations and I hope that the Secretary of State for External Affairs will take them into consideration. Apart from the military commitments and the types of military forces that might be required, there are certain civilian facilities—I will not use the word "forces"—that might be planned now and kept on file with the secretary general. For instance, every emergency situation that arises in the world is different from the previous one. Just as the Congo was different from the Middle East, so may the next situation be entirely different. The political situation may be different. The geographical situation may be totally different. The type of United Nations personnel that may be required in such a situation can only be determined by the circumstances as the situation arises. However, a certain amount of planning can still be done in advance in order to have on hand certain types of civilian personnel that may

be required in such an emergency. The countries concerned could submit lists of personnel with certain qualifications which could be kept on file with the secretary general as a sort of continuation of the experts bank which was introduced and accepted by the general assembly a couple of years ago.

As to military forces, each country could very well submit to the secretary general a list of military forces which they would be willing to contribute at a moment's notice, should an emergency arise. When an emergency does arise the secretary general would not be faced with the situation of having to telephone one country that he might consider suitable, asking that country, "Can you contribute items a, b and c," and having that country say, "We do not know; we will let you know in a week". Valuable time is lost in an emergency situation. If the various countries concerned that have contributed in the past, and some others, would supply the secretary general with lists of military equipment and personnel they could provide at a moment's notice, the secretary general, should an emergency situation arise, could look at the lists of Canada, Brazil and Sweden, for example, and see that they were prepared to contribute certain things that would be suitable. Thus valuable time could be saved.

I realize full well that, in view of certain problems the secretary general has with the Soviet union and France about paying for these operations, it might well be that it would cause the secretary general some embarrassment to have such lists deposited with him formally, and it might well be that some sort of semi or quasi-United Nations organization could be formed which would not be directly a part of the United Nations but which could make these arrangements. The president of this organization could keep lists which he could give to the secretary general, if necessary.

These are just some of the questions that will have to be considered by the government and by other governments concerned. I hope that the government pursues this matter. I understand they are going to be doing so and I wish them well because I think it is a very valuable type of work.

The next point is the question of our relationships with the commonwealth. The Secretary of State for External Affairs mentioned how active the government was in supporting the commonwealth and referred to the great heritage and the fine relationships. I am glad to hear that, but I think that the Secretary of State for External Affairs might have gone a little farther and told us just what we are going to do to try to promote this situation further. In the military field we have heard suggestions that we should have military forces available or in training to help the United Nations; but what about the commonwealth?

Last year India was attacked by China and eventually we were able to send some military equipment. India is still threatened, and what about the new state of Malaysia? It is certainly threatened by Indonesia. If something happens in either of these places, what are we going to do? Are we going to send equipment or troops, or both, to help our partners in the commonwealth?

I would hope this matter could be clarified and some idea given as to what we are going to do. I realize that each situation is different and may have to be decided according to the circumstances at the time, but I think it should be made clear to us in this debate what the intentions of the government are in this respect. Are we going to help our commonwealth brothers if they are attacked, or are we going to stand by? If we do help them, are we going to give them equipment only or equipment and men, and to what extent? These are things that I think will have to be considered very carefully.

Foreign policy, of course, should be very flexible and should keep up with the times and circumstances. In this regard it has been pointed out that the People's Republic of China is apparently intent on pursuing her aggressive course in the world. While it is quite true that the Soviet union apparently has decided to follow another course and perhaps try to achieve her objectives by other than military methods, the People's Republic of China has not. Since it seems to me that at the moment there is at least some lessening of tension between the Soviet bloc and the west I would suggest, in view of the behaviour of China, that perhaps we should direct our attention more to the Pacific at the moment. I would hope that the Secretary of State for External Affairs and his colleagues would give very careful consideration to whether or not we should possibly become involved in some alliance in the Pacific. I think this matter should be looked into at the present time. In view of the lessening of tension between the west and the Soviet union and the constant pressure and increase of tension in the eastern part of the world, I think this is something which must be given the most careful consideration, if it has not already been given such consideration. There is no use trying to form alliances and make arrangements after the trouble starts. These things should be foreseen and the arrangements made in advance. I know that China is away across the Pacific, but today distance does not mean very much. I know that

Malaysia and India are far away also, but I think these things must be taken into consideration.

Then, there is the question of the extension of credit to the Soviet union and other iron curtain countries. In the last few years Canada has been very fortunate in trading with the Soviet union, red China and with other satellite nations of the Soviet union. This has been a very good thing for Canada. It has greatly helped our economy. There is no question about that. It has done another thing, in that it has done a great deal to break down the barriers which existed between the Soviet bloc and the western group. Trade is a great help in this regard. Certainly when I recall that payments had to be made in fairly short order on the sales to China, the use of this foreign exchange may well have had a practical advantage in addition, inasmuch as China could not then use this foreign exchange for the purchase of war materials or for sending additional propaganda to South America. However, not only Canada but Britain and Germany have followed a course of issuing extensive credit to the Soviet union and related countries.

Recently in Paris I believe the United States suggested that these credits should not be extended past five years. As I understand it, this suggestion was met very coolly. It would not affect Canada anyway, as I understand it—

**Mr. Martin (Essex East):** Do I understand my friend to say that the United States recommended that credits be extended beyond five years?

**Mr. Nesbitt:** No, not more than five years.

**Mr. Martin (Essex East):** In accordance with the Berne convention.

**Mr. Nesbitt:** This suggestion was not too well received by the other countries, chiefly Britain and Germany, whom it would most affect. Now, I just mention this fact in passing. While I have pointed out that the advantages of trading with the communist nations are very great, I feel if there is going to be any extension in the future of credits to these countries, we should very carefully look into the long range results. Are we, in fact, by doing this, cutting down the credit that we could extend to the underdeveloped countries, which perhaps need them more? By extending these extensive credits to the Soviet union and related countries, are we perhaps permitting them to extend credits, a sort of chain reaction so to speak, to certain underdeveloped countries that they wish to penetrate politically? I think this is something that should be looked into carefully. I have no doubt it will be. I just mention it at this time in passing, because we do not want to be blinded by the very favourable results we have had from the trade up to now. We do not want to find out later, to our horror, that a number of things were happening that we did not realize. An example of this is the sale of scrap metal to Japan in 1938, about which we were very happy; but then later a lot of people had it thrown back at them at Hong Kong.

The last thing I should like to mention this evening is the threat to Canada's seat on the security council at the United Nations. This is a rather complex subject, Mr. Chairman, and I hope the committee will bear with me if I give one or two words of background material, because this is a type of thing that is not readily understood elsewhere than in the United Nations. After 1945, when there were approximately 48 countries in the United Nations, a gentleman's agreement was made concerning the non-permanent seats on the security council. As perhaps most people know, there are 11 seats on this council, five of which are permanent, namely the Soviet union, the United States, Britain, France and China. The other six are the non-permanent seats and members are elected, three at a time, for a two-year term.

Until recently, this so-called gentleman's agreement has been carried out. Under that agreement, the six non-permanent seats were divided as follows: The Latin American group of countries have two of them; the western European bloc—everything works in blocs of countries at the United Nations—one seat; eastern European countries, one seat—those are the Soviet bloc countries—the Middle East, one seat, those were the Arab countries generally, and the commonwealth, one seat. Since 1955 the membership of the United Nations has expanded to 111. As I recall—and that was the first year I was there—the present Secretary of State for External Affairs did a very good job at that time in making a package deal to bring in a number of new countries. After that, with the increase of the new countries in Asia and Africa, pressure became very great on the other countries to provide adequate representation on the security council to the new Afro-Asian countries.

The obvious thing was to expand the membership. However, the Soviet union has made it quite clear within the last week I understand, that it will veto any expansion of the security council until China has been admitted. As a result of the increased voting power of the new Asian and African countries, as I say, something has to give. Apparently what is going to give is the commonwealth seat. The projected arrangement which is being discussed, I understand, at the present

time in New York is that the six seats would be divided as follows: Two to the Latin American countries; one to west Europe; one-half seat—that would be a one-year term—to eastern Europe, and to the Asian and African delegations, two and a half seats. As I have said, this half seat means a one-year term instead of a two-year term. The commonwealth seat would be eliminated.

I know this question has been brought up in this house on many occasions this session. Just recently, on November 20, the Prime Minister replied, as follows, to a question of mine in this regard, as reported on page 4963 of *Hansard*:

> The principal aim of the Canadian delegation in these talks, and at meetings of the commonwealth group, has been to emphasize the importance of retaining the commonwealth seat. Pressure for enlargement has developed—

The first sentence I read is the cogent one. It is my understanding, Mr. Chairman, that the government has given up hope of retaining the commonwealth seat. I realize there has been very great pressure, and this seat may have to go. I recognize it is difficult and the pressure from the Asian and African countries is very great. Since they cannot enlarge the council, the redistribution of seats seems to be the alternative. I understand there have been suggestions made that since the commonwealth seat is going to go, Canada might find a seat with the Latin American countries or with the western European countries with whom we are dealing. Perhaps that has to be, I do not know. While I recognize the difficulties in connection with this problem, so far as I can see there has been no active, constructive work done at the United Nations to try to retain the commonwealth seat.

**Mr. Martin (Essex East):** Will my hon. friend permit an interjection? I am sure he would not want this suggestion to go unnoticed. There is great activity in this connection at the United Nations, and has been now for some time.

**Mr. Nesbitt:** Well, Mr. Chairman, I am glad to hear the Secretary of State for External Affairs say that. However, I was at the United Nations for some time, and I am not exactly unfamiliar with it, but that certainly was not my impression at all. I was going to suggest to the minister—

**Mr. Martin (Essex East):** There are some things one does not discuss on the hilltops, as my hon. friend knows.

**Mr. Nesbitt:** I beg your pardon?

[Mr. Nesbitt.]

**Mr. Martin (Essex East):** I was just observing that there are some matters that can be best handled without giving too much public attention to them.

**Mr. Nesbitt:** I am quite aware of that, and I have a number of acquaintances at the United Nations, who are not associated with the Canadian delegation, and from whom I was able to gather some of this information. I am naturally aware that these things are being discussed on all sides and I have tried to point out to the Secretary of State for External Affairs that I know what he is up against in this matter. But instead of assuming the commonwealth seat is going to go, why not get out and do a real selling job? The Secretary of State for External Affairs did a wonderful job in 1955, against almost impossible odds, in bringing in all these new countries—

**Mr. Martin (Essex East):** Mr. Chairman, I do not make the assumption the commonwealth seat is going to go, and I do not expect that will be the result in the immediate period to which my hon. friend is directing my attention.

**Mr. Churchill:** What is that immediate period?

**Mr. Martin (Essex East):** Well, within a foreseeable period.

**Mr. Nesbitt:** I am very glad to hear this. It is my understanding this matter is going to be settled before the end of the present assembly, unless things have changed very much in the last 10 days or so. But some arrangement has to be made and I understand that is what the intention is.

If it is not possible to retain the commonwealth seat, under present circumstances we will not get a seat until the security council is enlarged by Russian permission. We cannot get a seat unless we go in with Latin America. They have 20 members and have two seats, and this would mean we would not have one for 10 or 11 years, which is not commensurate with the contribution we make to the United Nations. If we go in with the western European nations, there are about 14 of them and they have only one seat, which would mean we would have less chance still.

However, there is another course of action which the Secretary of State for External Affairs could follow. I hope he is right in his forecast; but if the commonwealth seat should go, then Australia is out in the cold, New Zealand is out in the cold and Canada is out in the cold. But there are also other countries such as Israel, Cyprus, and perhaps South Africa after its policy changes, and all these countries might be included in a block.

Perhaps we might get another group formed, before the security council is extended, which would be granted half a seat, or rather a seat on a one year term. After all, Canada and New Zealand territorially control a large amount of the resources of this planet, and I think the Secretary of State for External Affairs would have a pretty good case to sell in this regard.

I see my time is almost up, but in conclusion I would like to refer to a remark made by the minister. If I heard him correctly, he said there was no disposition in the United Nations at the present time to set up machinery for peacekeeping forces.

**Mr. Martin (Essex East):** What I said was that there were not enough members in the United Nations who would subscribe at the present time to the proposition that there should be established a United Nations police force.

**Mr. Nesbitt:** Perhaps that was a misunderstanding of mine. As I now understand him, he was not referring to some peacekeeping machinery, but to a peace force.

**Mr. Martin (Essex East):** No, a police force.

**Mr. Nesbitt:** Oh, a police force—

**Mr. Martin (Essex East):** Which Canada would of course support.

**Mr. Nesbitt:** As I understand it, the difference being between some sort of peacekeeping machinery, where lists of forces would be filed, and some sort of permanent police force, which is quite another thing. That clarifies it, so with that I conclude my remarks.

**Mr. Haidasz:** I do not wish to hold up the estimates of the Department of External Affairs, but in view of the fact that this week end in Toronto a national convention coinciding with the tenth anniversary of the founding of the Canadian association of Polish ex-political prisoners will take place, I have been asked by representatives of that organization to raise my voice in this chamber and express my sympathy for their cause.

As hon. members know, there is draft legislation pending before the West German parliament providing compensation for victims of nazi persecution. This new draft of the German indemnification laws will be subject to scrutiny by both the upper and lower houses, and may therefore undergo changes before final adoption. I hope the appropriate officials of the Department of External Affairs, and the Secretary of State for External Affairs, will examine this draft legislation in order to determine whether and to what extent Canadian interests may be affected, and in what way they can protect the interests of Canadian citizens, now resident in Canada, who were victims of nazi persecution.

**Mr. Martin (Essex East):** I most certainly will examine it, and I may say I have been doing so.

**Mr. Herridge:** I see there are just a couple of minutes left and I had not intended to speak this evening. A number of us hope to have the opportunity to speak later, but I do want to support the remarks of the previous speaker with respect to the question of the victims of nazi persecution who are now Canadian citizens. I have had a number of them visit me in my office, and I have received documents from Bonn which clearly indicate that their just claims have not by any means been satisfied to date.

I raised the question in the house a week or so ago, and the Prime Minister was good enough to prepare a statement on the matter. In fact we understand that the government is keeping an eye on this situation, but I do urge that every effort be made to see these persons receive the fullest compensation. There are quite a number of them who have been entirely overlooked, whose claims under present law are not considered valid, and if the Canadian government does not take a fairly strong stand many of us in this group, and other members in the house, are afraid justice will not be done.

Time is running out, and I understand they are going to change the law in Germany. There is some question of amending it in a manner that will have some effect on the claims of the persons we are concerned with. I suggest this is an appropriate time for the Canadian government to use its influence with the government in West Germany, to make strong representations on behalf of these Canadian citizens so that the law, as amended, will include them and their valid and, in some cases, quite substantial claims.

**The Deputy Chairman:** Order. It being 10.30 p.m., 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:** I wonder if the acting house leader would confirm the arrangements for tomorrow and let us know what might happen on Monday?

**Mr. Cardin:** Tomorrow it is proposed the house will take up interim supply, and when that is finished it is proposed to go on with the estimates of the Department of Mines

and Technical Surveys. If they are completed before five o'clock, then the estimates of the Department of Public Works would be taken. At seven o'clock the Department of Industry is due to be taken up, and if that is completed before 10.30, then the Department of Public Works would be called upon again.

**Mr. Churchill:** Nothing for Monday?

**Mr. Cardin:** For Monday it will be announced tomorrow night.

It being twenty four minutes before eleven o'clock the house adjourned, without question put.

END OF VOLUME V